

# Solidarity

## & Workers' Liberty



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**an injury to one is an injury to all**

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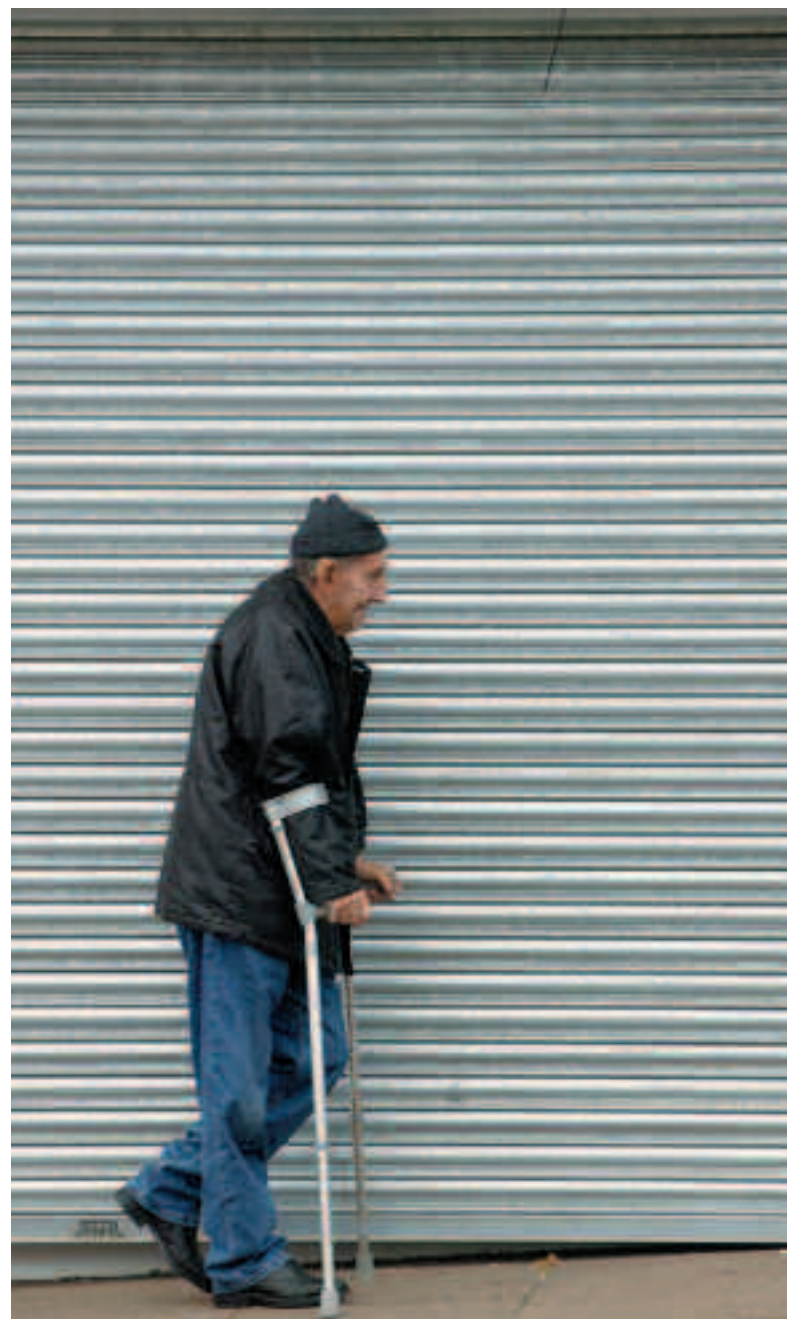


Photo: Paul Bax/reportdigital.co.uk

**New Labour's welfare reforms will force single parents, the disabled and sick and drug addicts to find work — or lose their benefits. As the economic crisis bites, jobs will become harder to find. The government has a solution. Force people onto cheap-labour "workfare" schemes. More page 5**



## LOCAL GOVERNMENT

# Action suspended after successful strike

BY A UNISON MEMBER

**T**he two day strike by hundreds of thousands of local government workers has demonstrated that there is a real mood to defeat the government's imposed pay cut. The two days saw some wonderful examples of the power workers have — closing many facilities, council offices and schools. In many places strong picket lines effectively stopped other workers, particularly GMB members, going to work and further heightened the impact of the action.

Public support was generally in evidence as other workers recognise pay as a general issue and gave their support to some of the lowest paid. Unison reports that some 500,000 workers took part. Figures, as you would expect, challenged by the employers. Whilst we hold no truck with their attempts to downgrade and demoralise striking workers a sober assessment must conclude that there were weaknesses and participation in some areas was not as strong as could be expected.

But it was a strong start to the action — a start that has now been put on hold. Unison has announced a suspension of action after local government employers offered to “talk”. The Tory led Local

Government Association continued to refuse any better offer and there is still no sign of offers to come.

The action must be continued and escalated. What Unison needs now is a clear plan of action, not a suspension. This plan would develop the strengths and overcome the weaknesses of the two days of action, drawing more workers into action.

One particular worry about the union's argument is the focus on council's reserves being a source for more money in the short term. The difficulty is that it would only be in the short term and the central problems of local government finance need to be addressed. Wages, jobs and decent services have been jeopardised by the steady withdrawal of central government funding for councils. Meanwhile capping of council tax rises' and the demands of New Labour for councils to continue to privatise local services' have led to cuts in services as well as wages.

The unions need to link these issues clearly in their publicity, demonstrating that the fight for pay is the fight for decent services. That means raising the demand for more funding through taxation and focusing on the rich who have got richer under New Labour as the wealth gap has widened.

Lobbies of councils and public rallies can

help build support and efforts should be made to coordinate action with other public sector unions such as the NUT, but we also need a clear plan for escalating the industrial action. The possibility of other unions striking along side us should be seen as enhancing our action but we can't be dependent on the actions of others. The NUT realistically will not be able to take further action until November and that is too long to wait. A long wait also risks our campaign running down, leaving little left to contribute to a common effort.

There is need to continue action over the summer and Workers' Liberty supporters in Unison have argued for a selective action over the summer and into the autumn. That means taking out key groups of workers for longer periods with strike pay to maintain pressure on the bosses and provide an ongoing focus for solidarity and support. It's an opportunity to start a levy of members to build a war chest for future prolonged action and Unison should be prioritising this now. Where local branches had a strike fund or councils had made a deal on taking strike pay only when the dispute has finished, turnout was much higher as the financial risk of ongoing action is a deterrent to many.

The union leadership won't like this idea as it depends on giving local branches and

strike committees control over the dispute. Selective action has had mixed results in the past when used as a way of avoiding escalating struggles. But in the short term it provides a bridge to longer all out strikes in the future.

GMB support was important in some areas but their willingness to cross picket lines elsewhere undermined the action. Where they were supportive we should encourage them to press their own union to re-ballot on action so they can formally join the dispute.

Within Unison there will be opportunities at TUC and Labour Conferences to force the government to change its policy removing the cap on the low paid and reel in the rich through demands for taxation.

An ongoing programme of selective, an approach to funding that also defends services and a solid plan for escalating action of more days of strikes up to and including all out indefinite strike has to be discussed and agreed. Anything less is not serious about winning and will lead to demoralising and a further weakening of our union. That the Unison bureaucracy has suspended action to talk to a body that simply refuses to listen is not a good sign. Unison stewards and branches should voice their opposition to this move and continue to fight for action in the autumn.

## US IN IRAQ

## Retreat on “State of Forces Agreement”

BY COLIN FOSTER

**T**he USA has admitted defeat, for now, in its attempt to impose a “State of Forces Agreement” which would give the US military the powers of a parallel government in Iraq for many years to come.

Instead, the USA plans to get a more informal “memorandum of understanding” with the Baghdad government which will allow US military operations to continue for a while after their UN mandate expires in December 2008. But George W Bush will tip the task of getting long-term guarantees for the USA in Iraq into the lap of the next president.

“In place of the formal status-of-forces agreement negotiators had hoped to complete by July 31, the two governments are now working on a ‘bridge’ document, more limited in both time and scope...” (*Washington Post*, 13 July)

This development probably reflects more self-confidence on the part of the shaky Iraqi government. In an interview with the German magazine *Der Spiegel* (19 July), Baghdad prime minister Nuri al-Maliki has called for US troop withdrawals soon more firmly than ever before.

“*Spiegel*: Would you hazard a prediction as to when most of the US troops will finally leave Iraq?

“Maliki: As soon as possible, as far as we're concerned. US presidential candidate Barack Obama talks about 16 months. That, we think, would be the right timeframe for a withdrawal, with the possibility of slight changes...”

On Friday 18 July, the White House announced that the United States and Iraq had agreed to a “general time horizon” for US troop withdrawals as part of the “bridging document” talks. This is about partial, not complete, US military withdrawal, and the “time horizon” has not been made public, but the announcement reflects a shift.

On Saturday 19 July, maybe as a result of Maliki's firmer stand in the talks with the USA, the Sunni-Arab political bloc led by the Iraq Islamic Party (Iraqi offshoot of the Muslim Brotherhood) agreed to rejoin the Baghdad government after a nearly year-long boycott.

Maliki also felt confident enough to have the parliament appoint four new people to ministries which had stood vacant since the previous ministers, supporters of Moqtada al-Sadr, pulled out last year.

According to the Arabic-language paper *Al-Zaman*, Iraq's provincial elections have been postponed from October to 22 December. That gives the Maliki government more time before a probably fraught moment, but also helps Bush and McCain, pushing that fraught moment to after the US presidential elections.

That the USA's high-handed demands have been rejected is good news. In some ways, that the Baghdad government feels more confident, and less as if it has to agree to almost any US demand because without US troops it will be quickly be swept away, is good news too.

We should remember, however, what sort of a government it is that feels more confident.

It is dominated by Islamic clerical fascists or semi-fascists. It has maintained the anti-union laws from Saddam Hussein's time; tried (unsuccessfully so far) to enforce them by telling oil industry bosses not to talk to Iraqi oil unions, and threatening to arrest or sack oil union activists; and had Decree 8750, from 2005, empower the government to seize all union funds. In its constitution for Iraq it deleted even the vague clause about the right to strike written into the US-designed Transitional Administrative Law of 2004-5.

Iraq's labour movement needs our support for its own independent efforts, and to help it take a lead in the struggle for self-determination for the peoples of Iraq.

## STOP the BNP's Red, White & Blue festival



### National protest and demonstration Saturday, August 16<sup>th</sup>

Codnor-Denby Lane, Denby, Derbyshire  
(10 mins drive from Junction 26 of the M1)

### Don't let this racist 'festival' go unchallenged

Watch the website <http://nobnppfestival.wordpress.com> for up to the minute details of where to go, as details may alter nearer the time.

**Protest and mass picket from 9am**  
**Rally Codnor centre at 12.30pm (TBC)**  
**Map and further details on website**

**Organised by Notts Stop the BNP**






Supported by the National RMT, Midlands TUC, FBU East Midlands Region, UCU East Midlands Region, Notts Division NUT, South Notts NUT, Central Notts NUT, Notts Unison, Derby UAF and Notts Refugee Forum and numerous other trade unions organisations and other anti-racist campaigns throughout the country.

for further info email [nobnppfestival@riseup.net](mailto:nobnppfestival@riseup.net)



## LABOUR PARTY

# Are the unions getting tough on Labour?

**A**t the Labour Party National Policy Forum starting on 24 July, the unions want to get a "Warwick 2", a second version of the list of concessions obtained by them at a Policy Forum in summer 2004, in the run-up to the 2005 general election.

The Labour Party's finances make it very likely that the unions will get something. The Labour Party is in deep debt; businesses and the wealthy have cut their donations, disillusioned by Labour's repeated financial scandals and the probability that the Tories will form the next government; Gordon Brown has no-one but the unions to bail him out financially.

The Guardian (18 July) reported that the unions have tabled 130 demands, and expect to press about 50 of them. "The complete list, obtained by the Guardian, includes a right to take supportive strike action, scrapping NHS prescription charges, bringing all hospital cleaning back in-house, and a new agreement on public sector pay with the Treasury".

Later in the article, however, the Guardian's story is: "On union rights, [the unions] want the right to strike [under what circumstances?], internet balloting, tax deductions for union membership subscriptions, and an extension of the Gangmasters Licensing Authority to construction..."

That the unions are making demands at all is good. If they can wring any concessions from Brown, and hold the Labour Party to them, that will be good.

But several problems need to be remembered.

\* The Guardian may have "the complete list", but union members certainly don't. The National Policy Forum is a behind-closed-doors event, without the openness of old Labour Party conferences. The process here is essentially one of backroom haggling and nudging, not any sort of democracy.



Gate Gourmet strike was undermined by the inability of airport workers to take legal solidarity action

\* The unions only have 30 seats out of 184 in the Forum. They will still probably win some deal. But that is because of the finances, not because of any democratic accountability of the 2008 Labour Party to the labour movement.

\* The original Warwick Agreement of 2004 was hailed by the unions as a huge triumph. What is the verdict of the last four years? The Agreement did not turn the Blair-Brown government into any sort of even mildly reforming pro-working-class government. There were a few concessions on secondary issues, but the basic hard-faced orientation of the Government was untouched. Politically, the main effect of the original Warwick Agreement is that criticism of Blair and Brown from the large unions ceased for a year.

\* Rank and file union members have no control over which of the 130 demands the unions press, which they

drop, and which they modify.

Warwick seemed a triumph to some trade unionists only because their expectations had been so beaten down. The same may happen again.

But the political aspirations of the working class should not be limited to securing larger or smaller sops through behind-the-scenes haggling by union leaders.

The working class, alarmed and battered by the unfolding economic crisis, needs a government serving its interests and accountable to it, as loyal to it as the Thatcher, Major, Blair, and Brown governments have been to the capitalist class.

And for that we need a working-class political party, formulating working-class policies through open debate and democratic decision, not union leaders negotiating behind closed doors.

## KARADZIC CAPTURE

# The politics of ethnic chauvinism

**T**he capture in Belgrade of Radovan Karadzic, who bears political responsibility for the murder of many thousands of Bosnian Muslim civilians in the mid-1990s, undoubtedly reflects the "turn to the west" of the current Serbian government. He had been living and working in Belgrade, protected by other Serb nationalists.

It is good that he has been captured and good that he will be punished. The pity is that the relatives of his victims in Bosnia won't have the chance to hang this mass murderer!

The western governments will not be looking forward to having what happened in Bosnia in the mid-90s raked over at Karadzic's forthcoming trial. The NATO powers which had some troops on the ground did not defend the Muslims and hindered them from defending themselves.

NATO soldiers stood idly by while the Serb militias, drunk on nationalism, massacred men, women and children. The west put an embargo on arms, thereby hindering the Bosnian Muslims from defending themselves: the Serbs were well-supplied with arms from the old Yugoslav state arsenals.

NATO's shameful role then prepared NATO for the serious intervention it made in 1999 to stop the Kosovar Albanians from being massacred.

Two aspects of what happened when the Yugoslav state disintegrated should be kept firmly in mind by socialists, one of them exemplified by Karadzic.

The first is that civilised states can quickly give way to foulest barbarism, former fellow citizens turn into murdering ethnic-national-religious warriors.

For instance in Belgium now the state teeters on the brink of disintegrating into its French-speaking Walloon and Dutch-speaking Flemish components. Brussels is a mainly Walloon city surrounded by a Flemish population. It is scarcely conceivable that Belgium — though there was Walloon-Flemish conflict there during World War Two — should go the way of Yugoslavia, that Brussels might



become a Srebrinica. Certainly it is inconceivable that the other European states would allow it to.

Before the breakdown of Yugoslavia it was inconceivable that Srebrinica should become "Srebrinica".

What happens in ethnic-national conflicts is that the

reckless militants and chauvinists set the agenda: if you are targeted because of your ethnic-national-religious identity by chauvinists on the "other" side, you will be driven for survival to your own "side", whose militants do to people on the other side what was done to you.

The same tacit alliance between Israelis and Palestinians has been a major factor in recent Israeli-Palestinian relations.

The second aspect worth underlining is that Karadzic, a psychiatrist by profession, was by all external criteria a highly civilized human being... Evidently, it counted for nothing. This mind-doctor's head was full of medieval glories of the Serbs and of the long wars of Christians and Muslims in the region. Many of the Nazi mass murderers were "civilized" bourgeois.

The lesson for socialists is: "anti-imperialist" militants are often the most reckless chauvinists.

The only militancy socialists can rely on and should support is working class militancy in the cause of socialism and working class unity across such tragic divides as that in Bosnia.

During the Bosnian conflict of the mid-90s, while much of the left, including ourselves, opposed the embargo on arms that left the Muslims to be slaughtered, the biggest organization, the SWP was "neutral". As Trotsky said of some people during the massacres of the 1913 Balkan wars, they "picked their noses" as mass murder was done by men drunk on chauvinism.

Then during the 1999 Balkan war the SWP went whole hog for the murderous Serb chauvinist government of Slobodan Milosevic, engaged in driving out and murdering Albanian Muslims in Kosova. The SWP has since become "the best fighters for Muslims". It will be interesting to see what they say of Karadzic's arrest. Will they denounce it as "capitulation" to NATO by the Serb government?



IN BRIEF

• **TEACHERS:** NUT members in two Leeds schools voted for strike and non-strike action in June in opposition to increased workload. One school was proposing an increase in teaching contact time of 1 hour every fortnight, the other 1 hour per week.

Members voted for action by overwhelming majorities in both schools. The action was due to start on Tuesday 15 July with a one day strike and a refusal to attend any meetings outside of school sessions. We also named a second strike day in both schools in September to ensure that the management knew that we would not be deterred by the fact that this new timetable would be up and running at the start of the new term.

On Thursday 10 July the Head of one of the schools contacted Leeds NUT to say that he was withdrawing the proposal. He guaranteed that no teacher would have the increased teaching time and agreed to send confirmation of this in writing. Our rep and members are delighted, proud of themselves and of the Union.

The action in the other school went ahead. Strike action took place on 15 July and the school was closed. There will be a second strike day on 9 September and there may be more to follow. NUT members also started non-strike action with a refusal to attend any meetings outside school sessions. This will continue in the Autumn term and could be escalated with further non-strike action.

The original plan was to have joint action in both schools with the NASUWT. Their ballot results in both schools, however, were nothing like as good as ours and General Secretary Chris Keates wouldn't sanction strike action. There is a pattern developing with this union since it formed a social partnership with the Government and employers. Time after time they are struggling to deliver support for members in disputes because, in many areas, the NUT have recruited the best of their members who are willing to fight and they have recruited and kept the managers and people who won't fight.

The other lesson of this dispute is that solidarity lives long in the memory. In 2005 our main professional grade (mpg) members in the school where we won stood solidly with their more senior colleagues who stood to lose from the shift to TLR payments. This time round the losers were only the less senior teachers and they were fully supported by those with responsibilities who faced no increase in contact time.

That solidarity is the essence of effective trade unionism and is the only real protection against excessive workload in schools.

• **TUBE CLEANERS:** Since London Underground cleaners took three days strike action, cleaning companies have responded with brutal intimidation and victimisation of those who took part in the strike. Cleaning members of RMT have received letters, suspending them without pay until they can prove their right to work in this country. Others have been suspended without pay for spurious allegations of misconduct. The RMT is asking any cleaners who have suffered since the strike to come forward so they can build a response.

The cleaning companies have the law on their side. They are able to use immigration law to bully workers. They can even break the law (victimising trade union activities is supposedly illegal), secure in the knowledge that the unions' only comeback is a lengthy, uncertain employment tribunal process. The RMT has been slow to tackle the immigration attacks head-on, seeking advice on how to pursue a legal route. A group of activists from the Campaign Against Immigration Controls Trade Union Conference are inviting RMT cleaners to a workshop to develop collective,

EDUCATION

# NUT Autumn strike ballot

By **PATRICK MURPHY, NUT EXECUTIVE (PC)**

The NUT Executive met on 17 July and unanimously agreed a timetable for a ballot on discontinuous strike action as the next steps in the pay campaign.

The ballot will start on Monday October 6th.

Campaigning materials are being produced over the holiday and the strategy will be confirmed at a special executive on Friday 5 September.

The battle over public sector pay seems likely to intensify rather than ease off in the months ahead. The Retail Price Index (RPI) reached 4.6% in June and even the government's preferred measure, the Consumer Price Index (CPI), hit 3.8% which is up from 3.3% the previous month.

The government's rejection of trade union appeals for a review of their pay awards over recent years has, up to now, been based on the claim that inflation is due to come down. This claim now has no credibility whatever. City economists and financial commentators were widely quoted in the press last week predicting that the (lower) CPI is likely to reach 5% by the end of the year. This at a time when public sector pay awards have been set at around 2.5%.

We got a glimpse of the way the employers argument will change in these circumstances when the School Teachers Review Body (STRB) responded to an NUT request



Teachers' industrial action on pay should start up again in the autumn

for a review of teachers' pay for 2008. Under the terms of the 2006-8 pay award any party can ask for a review if inflation over a 12-month period exceeds 3.25%. For the second year in a row this 'trigger' has been reached. Last year the Review Body agreed to ask Alan Johnson, the Secretary of State, for a remit to review our pay - but he refused. This time the Review Body decided not even to request a remit. They accepted that inflation had risen well beyond the 3.25% trigger and that this may cause the hardship claimed by the Union. They say, however, that teachers' pay should be determined in relation not to inflation or the cost of living but the job market. According to the STRB there are no signs that problems in the labour market

for teachers are sufficient to justify a review of the current pay award.

This is new departure for the STRB and demonstrates more clearly than ever the absurdity of its claims to be independent. As the NUT is the only teachers' union opposed in principle to the review body process and in favour of restoring national negotiating rights this latest development will cause problems for the other unions, the government's social partners, in defending their positions.

So, the conditions in September will be very favourable ones in which to be preparing members for another ballot. Under the NUT timetable the first day of strike action after the Autumn ballot would have to take place no later than 27 November.

industrial strategies to defeat immigration attacks. We need a strategy before going into the next strikes.

Mayor Boris Johnson told Feminist Fightback and RMT demonstrators at Mayor's Answers last week that the cleaners "would get the living wage by August". This offer only extends to Metronet, which TfL has now taken over. Pressure still needs to be put on Tubelines, which covers one-third of the cleaning contracts. We will need to go ahead with the future strikes pencilled in for the beginning of August to turn Johnson's promises into reality and to win a living wage for all cleaners on the underground.

• **JEROME BOWES:** On the weekend of 26-27 July station staff on Charing Cross group will strike to demand that London Underground (LUL) reinstates Jerome Bowes, a tube worker sacked after being assaulted on New Year's Eve. 90% voted for strike action.

The message to LUL is clear: stop treating victims as villains!

All duties due to book on after 7pm on Sunday 27 and before 5pm on Monday 28 July will strike.

It is essential that the action is as solid as possible - with TSSA members supporting RMT workmates - to make it impossible for management to open the three stations involved: Elephant & Castle, Lambeth North and Charing Cross. Two of the three stations are busy interchanges, so we have the potential to cause a big impact.

Drivers should also respect picket lines and refuse to drive through the striking stations.

Management appear to be digging in. Rather than use Jerome's Appeal as a way of backing down without losing face, they did the opposite: held it much more quickly than they usually would, and upheld the dismissal. In doing so, the company has upped the stakes. It is asserting its right to dismiss staff who won't accept that being a punchbag is part

of our job.

A second strike should be timed to coincide with planned action by other workers, including cleaners and Rickmansworth station staff.

• **UNISON DEMOCRACY:** Unison activists held a meeting in Westminster on 23 July to protest about the continuing attacks on the socialist left inside the union. Speakers included John McDonnell MP.

For example four London members, including Socialist Party activist and NEC member Glenn Kelly face disciplinary action over the production of a leaflet criti-

cal of Unison's Standing Orders Committee. This action could lead to the four being kicked out of positions to which they have been elected.

Meanwhile Tony Staunton, former secretary of Plymouth local government Unison, has not only been expelled from the unions, but is being taken to court for allegedly misusing union funds - because his branch bought a computer which he used at home. This is straightforward harassment by the bureaucracy.

The left in the union must unite - not only to defend the left activists, but to campaign for a democratisation of our undemocratic structures.

LOCAL GOVERNMENT

## My first ever strike

By **A UNISON MEMBER**

The 16th and 17th of July was the first time I have ever been on strike and I picketed outside the council building where I work with a couple of other workers.

My workplace has very few workers in a union and an even smaller number in Unison. So it was not surprising that lots of people crossed the picket line. Many of them said that they couldn't afford to lose two day's pay or that they were in the GMB. A few agency workers were visibly upset about having to cross a picket line, but said that they would not be called to work there again if they missed two working days. Many of my colleagues refused to even talk to me about the strike or even look at me as they charged into work. There was generally no understanding of how the strike related to them or the notion that even if they were happy with their salary they might strike to improve the pay of their lower paid colleagues. However if

it was not all doom and gloom, a few people did agree to join Unison and one worker even joined Unison and then joined the picket line and came to the rally. It was also a good opportunity to talk to people about why they should be in a union and the current issues around public sector pay and inflation.

What is clear from talking to workers who didn't strike is that many believed that the fight for a pay rise in line with the real increase in inflation cannot be won. This is partly the fault of the Unison leadership who have failed to demonstrate any real strategies beyond two days of strike. I suspect that now we have had a two day strike the leadership will come back with no improved (or very little improved ) pay offer and say that at least they tried to get a better deal.

We need pressure from trade union branches and Unison activists to make sure that this does not happen and to put forward some concrete strategies about how we can win the fight for fair pay.



## WORKERS' GOVERNMENT

# A workers' answer to the crisis

BY MARK OSBORN

**T**he precise details of the ongoing economic crisis can, at best, be the subject of informed speculation. But some general lines are clear. The Chancellor says he expects the crisis to be "profound", Ernst and Young says the outlook is "like a horror movie" and the *Economist* magazine comments, "Things can only get worse."

As Marxists and activists our first concern is to consider the impact of the economic downturn on the organisation, consciousness and combativity of the working class. We aim to suggest policies and slogans that the left and the labour movement can adopt to give coherence to a fightback against the effects of the economic crisis. Our concern is not to try to "mend the system" but to protect workers from the effects of the crisis and lay the basis for a working-class counter-offensive against capital.

## INFLATION

By all official indicators inflation is rising sharply. The Consumer Price Index (CPI) rose almost a whole percentage point, to 3.8%, in the two months to June 2008. This is the CPI's highest rate since 1992.

But the CPI fails to accurately reflect workers' concerns.

Better, the broader Retail Price Index (RPI), stands at 4.8% per year.

Nevertheless the RPI also understates the problem. Many key costs that impact on workers are rising faster than the RPI shows. Road-fuel costs rose 24% in the year up to June; food costs rose by 10.6% (CPI figure, and a 19 year high); gas bill inflation stands at 11.2% and electricity at 10.2%.

And the poor are being hit hardest, because food and heating costs make up a larger proportion of their spending. So the Office of National Statistics (ONS) suggests, for example, that the inflation index for pensioners "mainly living on benefits" is now 5.4%.

The fact that the official measures of



House prices are sinking. Debts stack up

inflation give different figures and underestimate the real impact on most workers, means that the socialist left must propose that the labour movement should begin to use its own economists to calculate the real rate of inflation as it impacts on workers.

Minimally such figures could be used to undermine the bosses' calls for "wage restraint" (i.e. workers paying for capitalist crisis with cuts in real wages). However such work can also be combined with a radical answer to protect workers from inflation: we propose that wages should automatically rise to compensate for inflation.

Such a law has been (partially) won before — for example, in Italy and Israel. And in the 1940s — under Trotskyist influence — it was fought for and won in the US car industry.

According to the *Economist*, "Households have been feeling the pinch since 2004 as a result of rising prices, taxes and the cost of servicing debt. The squeeze intensified in 2006 and 2007, when real disposable income per person

rose by less than 1% a year: this was the lowest growth since 1982. Despite the slow growth in real incomes over the past couple of years, consumers nonetheless maintained a brisk rate of spending by borrowing against the rising value of their homes. As a result household saving fell in 2007 to just 2.9% of disposable income, the lowest since records began in 1963." Now the credit crisis is squeezing the availability of easy credit.

House prices look set to fall 15% this year and perhaps by the same amount next year. As a result over two million householders will find themselves in negative equity (debts more than the value of the property). New home loans have fallen; repossessions are rising.

The unstable banking system — run by the very wealthy in the interests of capital, and willing to make thousands homeless — should be unified under state control.

- We propose that the banking and financial sectors are nationalised.

- We propose that social housing is built, or properties renovated, and provided at cheap rents to all workers who need it.

## UNEMPLOYMENT

Unemployment levels stand at 5.2%, or 1.6 million workers, and are set to rise. The most recent figures — for June — show an increase of 15,500 claiming unemployment benefit, the biggest monthly increase since 1992. A number of big building companies have made job cuts, which are yet to register on the official figures.

David Blanchflower of the Bank of England's interest rate committee expects the figure to rise to 7% over the next year, meaning that he expects hundreds of thousands of workers will lose their jobs.

The number of companies "in serious trouble" has increased 700% over the past year (Begbies Traynor report in the *Guardian*) with building, IT and retail firms suffering most. However the report's authors comment, "In times of economic slowdown you would expect construction and retail sectors to suffer. However many other industry sectors are

being affected... Credit lines have dried up..."

Unemployment is a problem for individual workers and it is a political problem for the workers' movement as a whole. Increasing unemployment will tend to work against industrial militancy over wages which inflation is already producing.

We need a government that will guarantee work and a living minimum wage for all who can work.

## POLITICAL REPRESENTATION

It is not only the pressure of unemployment and the immediate past history of the working class that press down on the possibility of militant working class revival, but the existence of repressive anti-union laws. The laws brought in by Margaret Thatcher's Tory government after 1980 ban such things as solidarity action and make union funds vulnerable to seizure if the law is broken. The anti-union laws need replacing by a set of positive trade union rights.

And workers need the welfare state guaranteeing high quality health provision through the NHS and free education.

Which begs the question, who will do this work? All these matters require governmental-level action; none can be solved by industrial militancy alone (even if such militancy existed).

None of the existing parties are in any sense pro-working class. The Labour Party was set up by the labour movement, but has been gutted by Blair and Brown, and now has been cut adrift from even the possibility of labour movement control.

And in such conditions — a credit crisis, falling house prices, inflation — other parties could grow rapidly. The BNP may well be a beneficiary of the crisis if workers fail to hear and rally around the socialist left. Which make the case for organising and agitating around such demands particularly pressing.

The working class needs its own party, a party resting on the working class for its power and accountable to our class. The working class needs its own government, a workers' government.

## WELFARE REFORM

# Stop Labour-Tory war on the poor!

BY DAN KATZ

**James Purnell. Any idea who he is? Try listing everything you know about him.**

Before now I'd have written: Blairite lick-ar-se, slicker than Hazel Blears; slimmer than John Prescott, some sort of arts responsibility...

So I thought he was off-brief when I read the strap-line in his *Guardian* column which appeared on Monday 21 July, "The Tories still don't get it. They believe tackling poverty is all about individual responsibility."

Clearly something was going on. He had "placed a story" in the *Guardian*, for some reason.

Could I be bothered to read it? No, the obituaries were more interesting. If it indicated anything important, I would soon find out. As indeed I did.

By lunchtime Radio 4 had informed me

that Mr Purnell now had a responsibility for persecuting the poor and vulnerable. Eagerly fulfilling his brief he had rushed out new welfare "reforms" — and New Labour "reforms", as we all know now, mean one thing: savage attacks on working class living standards and democracy.

The key planks of Purnell's reforms are:

- Work, similar to that given to people convicted of crimes — litter collection etc — for dole money. This "workfare scheme" is a long-standing Tory policy.

- Incapacity Benefit claimants will all move to the new Employment Support Allowance by 2013, accompanied by a drive to cut the numbers claiming. Only the most disabled people will be exempt from working.

- Drug addicts are also being targeted, with the government expecting them to declare their problem and to embark on treatment. If they don't? They lose their benefits.

- Single parents with children aged 7 and upwards will be expected to work.

Opposition spokesperson Chris Grayling stated, "Since these are Conservative proposals we will certainly support them."

Tory MP Robert Goodwill announced, "As someone who likes to think he is on the rightwing of my party, I am absolutely thrilled!" And Bob Spink MP, the ex-Tory who is now the only UKIP MP in the Commons, said he liked the package "because it follows UKIP's policy".

Purnell's *Guardian* article was a minor part of his operation — an attempt at reassuring and shoring up a "left" wing vote. His main aim was to occupy Tory ground and get good coverage from the right-wing press. In this he was successful. The *Sun* reported in glowing terms "Labour blitz on dole scroungers".

There are a tiny number of people who "fiddle" the dole, and a very few individuals have stolen thousands of pounds this

way. But the vast majority of claimants are simply people in need of work, who can't get work, who need to look after young children, or who are unable to work for good reasons. They deserve our solidarity and sympathy. The "dole scroungers" label is an insult to these people and is a cynical ploy designed to get workers blaming each other for problems created by capitalism — unemployment and a "job market" which is completely indifferent to the needs of carers and the disabled. The problems created by capitalist politicians like James Purnell.

In essence the government wants to make claiming benefits harder, and staying on benefits as unpleasant as possible. A socialist alternative would be to provide useful, well-paid work for all those that can work, and generous benefits for those that can not. The trade unions should stop funding Labour MPs who vote for these proposals.



## DISCUSSION ARTICLE

# What if Israel bombs Iran?

By SEAN MATGAMNA

**A**n attack on Iran will most likely lead to great carnage in the Middle East, and beyond, as supporters of Iran resort to suicide-bombings in retaliation. There might well be large scale Iranian civilian “collateral” casualties. An attack would strengthen the Iranian regime and license a smash down on its critics, including working class critics, inside Iran. It would throw Iraq back into the worst chaos.

Yet the plain fact is that nuclear bombs in the hands of a regime which openly declares its desire to destroy Israel are not something Israel will peacefully tolerate. They will act to stop it while it can still be stopped without the risk of a nuclear strike against Israel.

Unless work on an Iranian nuclear bomb has definitively ended Israel will bomb Iran, with or without the agreement of the USA and NATO.

In the last reckoning here, Israel is no state’s puppet. It has pressing concerns of its own, and will act on them.

In 2007, Israel attacked a nuclear weapons site in Syria. It attacked nuclear installations in Iraq in the 1980s, when the US was backing Saddam against Iran in the Iran-Iraq war, eliminating Saddam’s attempt to develop nuclear weapons.

In Israeli eyes the facts and alternatives here are stark.

Recall what the Iranian leader

Ahmedinejad said in December 2006:

“Thanks to people’s wishes and God’s will, the trend for the existence of the Zionist regime is [going] downwards and this is what God has promised and what all nations want. Just as the Soviet Union was wiped out and today does not exist, so will the Zionist regime soon be wiped out”.

Israel, the Jewish state as such, is clearly what “Zionist regime” means here. In the context of Iran being close to having nuclear weapons, he is talking about the nuclear obliteration of Israel. That is how most Israelis took it.

Israel will act to stop this Muslim fundamentalist regime acquiring the possibility of inflicting nuclear death on the Jewish nation (and the Israeli Arab minority which would also be victims of a nuclear attack).

We as socialists want Ahmedinejad to be sent to hell not by the Israeli and American armies and airforces, but by the Iranian working class and the oppressed nations in the Iranian state. We would like to see the Israeli ruling class go on the same trip as Ahmedinejad.

We do not advocate an Israeli attack on Iran, nor will we endorse it or take political responsibility for it. But if the Israeli airforce attempts to stop Iran developing the capacity to wipe it out with a nuclear bomb, in the name of what alternative would we condemn Israel?

\*The inalienable right of every state to have nuclear weapons — and here a state whose clerical fascist rulers might see a

nuclear armageddon, involving a retaliatory Israeli nuclear strike against Iran in the way a God-crazed suicide bomber sees blowing himself to pieces —?

\*Because Israel has nuclear weapons, and therefore the Arab and Islamic states should have them too —?

\* Because we are unconditional pacifists? We think military action is never justified, and therefore Israel has no right to attack Iran, not even to stop it acquiring the nuclear means to mount the ultimate suicide bomb attack on Israel —?

\*Because we would prefer to live in a world where such choices would not be posed, where relations between states and peoples are governed by reason, and strictly peaceful means —?

\*Because for choice we would live in a world where the workers of Israel, Iran, Iraq were united in opposition to all their rulers, and strong enough to get rid of them and bring to the region an era of socialist and democratic peace and understanding —?

\*Because Israel would in attacking Iran be only an American imperialist tool, against a mere regional power; and that cancels out the genuine self-defence element in pre-emptive Israeli military action against Iranian nuclear weapons —?

\*Because Israel has no right to exist anyway, and therefore no right to defend itself—? (This will in fact be the underlying attitude of most of the kitsch left.)

\*Because the Iranian government, Islamic clerical fascist though it is, is an “anti-imperialist” power and must be

unconditionally supported against the US, NATO, Israel —?

\*Because Israel refuses to dismantle the Jewish national state peacefully and agree to an Arab Palestinian state in which Jews would have religious but not Israeli-national rights, and therefore socialists, “anti-racists”, and anti-imperialists must be on the side of those who would conquer and destroy it, even, in this case, with nuclear weapons —?

\*Because we don’t deal in vulgar practical choices but in pure historical essences such as “anti-imperialism” —?

The harsh truth is that there is good reason for Israel to make a precipitate strike at Iranian nuclear capacity.

Socialists should not want that and can not support it. Our point of view is not that of Israeli or any other nationalism. We want Israeli, Palestinian, Iranian and other workers to unite and fight for a socialist Middle East.

However, least of all should we back Ahmedinejad, or argue, implicitly or openly, that homicidal religious lunatics have a right to arm themselves with nuclear weapons — and that those they say they want to destroy should be condemned for refusing to stand idly by while they arm themselves to do the job.

The latter, expressed in duff “anti-imperialism”, pretend, one-sided, pacifism and hysterical appeals to “international law” and “the UN”, will be the response of the kitsch left to an Israeli attack. International socialists should have no truck with it.

The left needs to discuss these issues.

## INTERVIEW

# Being a socialist in Zimbabwe

On 21 July Robert Mugabe and Zimbabwean opposition leader Morgan Tsvangirai agreed to talk about forming a “government of national unity”. Mike Sambo of the International Socialist Organisation Zimbabwe, spoke to Tom Unterrainer before these recent events. He describes what the ISO does as part of the broad opposition in Zimbabwe.

**Q: How was the ISO formed?**

The ISO was founded in the early 1990s, at the time mainly with student activists. The ISO now has people from different social movements and a large number of working class people. We now have about 300 members. Very few of our comrades have a job because of the collapse of the Zimbabwean economy. Some of the students who founded the organisation have gone into leading positions in the MDC. Originally they were organised around the idea of pan-Africanism, then they were influenced by Stalinist ideas. Finally, they came into contact with the International Socialist Tendency [the international grouping around the SWP]. Some comrades studied outside of Zimbabwe and made links with the SWP.

**What has been the response of the Zimbabwean trade unions to the crisis?**

Traditionally the Zimbabwean trade union movement has been strong. But trade unions have, in some ways, been distracted by the crisis. The ISO carries out some work in the trade unions but our relationship with the leadership is not good. We do a lot of rank and file work. The leaders think we are trying to organise separate unions, but we are not. We organise in the Zimbabwean Graphical Workers Union. Starting with a very small group we chal-

lenged the bureaucrats when they started selling out the membership, and now the rank and file group is the official leadership of the union. They’ve organised three very successful strikes.

All other unions are dominated by pro-MDC bureaucrats. Trade unions no longer survive by membership subscriptions alone. They look for donor funds and are increasingly less accountable to the membership.

**The ISO was once part of the MDC. Why did you leave? In what way has the MDC changed?**

The MDC used to be dominated by people from the working class. Now it is dominated by professors and industrialists. The party went through a purging process. The MDC has a congress every five years Morgan Tsvangirai dictates everything in the party.

**What do you think is the immediate future for Zimbabwe?**

There are two different possibilities.

1. Mugabe is not ready to leave office but he has no solutions for the economic crisis. He needs the MDC and wants a government of national unity. The rank and file will be against this arrangement. Thousands were raped, murdered, tortured and imprisoned. They want Mugabe out. The recent release of political prisoners has just been a bribe to try to settle the people. But they will not stand for a government of national unity.

2. All-out military dictatorship is another possibility. The army is solidly behind Mugabe, especially the leaders. Ordinary soldiers are slightly different — they have not been paid regularly, they may be unhappy but they continue to follow



Will Zanu-PF and the MDC form a “government of national unity”

orders. The regime controls the electricity, water and some other strategic industries. Much of the old public sector has been privatised with the exception of the finance sector. They will keep a tight grip on these sectors but continue the process of land reform. We support the idea of land reform but not the way Mugabe is going about it.

3. Foreign intervention is another possibility but one that we would oppose. The solution for Zimbabwe can only come from the Zimbabweans.

**What did you make of the MDC’s withdrawal from the second round of elections? Hasn’t this discredited them?** The ISO opposed the most recent elections because we saw them as defusing the possibilities for social action. This social action failed to come about. Some of our international supporters opposed our withdrawal from the MDC and would like to see us go

back. We realised that the MDC had been hijacked by sell-outs.

We supported the MDC in the first round of the elections because of the extent to which the financial crisis had affected the people. There was a real need for change and the MDC would have created some changes. We were not trying to create illusions in the MDC. The recent elections have taught us a lesson. The people still have some faith in the MDC, they see it as the only way to get rid of Mugabe.

Ever since we realised the bankruptcy of the MDC we have been trying to create an independent platform. As of now we don’t have a programme of standing candidates in elections. We see it our role as coordinating civil disobedience.

Full interview:

[www.workersliberty.org/story/2008/07/23/being-socialist-zimbabwe-interview-mike-sambo](http://www.workersliberty.org/story/2008/07/23/being-socialist-zimbabwe-interview-mike-sambo)



## KINGSNORTH

# Coal-fired power? No thanks!

The fight to prevent dangerous and runaway climate change means that the energy regime in modern capitalism cannot be a matter of indifference to socialists. The pressure point now is the drive by power generation companies to build a new wave of coal-fired power stations. There are plans for seven new coal-fired power stations in the UK (and many others in Europe), starting with Kingsnorth in Kent. In August environmental campaigners will set up a “Climate Camp” near this site to protest at the programme. Elliott Robinson examines the background.

**T**he climate case against new coal stations is simple. The seven new stations would emit over 50 million tonnes of carbon dioxide a year. Power stations account for around a third of total UK emissions and coal alone accounts for over a third of energy emissions. Building these new coal-fired power stations will effectively scupper efforts to reduce UK emissions by 60-80% by 2050.

Climate camp activists are right to focus on Kingsnorth; its fate may well determine whether the others will be built, both in the UK and in Europe.

Greenpeace estimates that the proposed Kingsnorth coal-fired power station alone would produce over eight million tonnes of CO<sub>2</sub> a year. This is more than the emissions annually produced by the entire population of Ghana (6.7 million tonnes of CO<sub>2</sub> in 2005).

James Hansen, head of the NASA Goddard Institute of Space Studies, the scientist who put climate change into the public arena in 1988 has specifically criticised the development. He wrote earlier this year: “Kingsnorth is a terrible idea. One power plant with a lifetime of several decades will destroy the efforts of millions of citizens to reduce their emissions.”

## WHY COAL NOW?

The Tories smashed the UK coal industry in the 1980s and early 1990s. They also privatised energy generation. The result is an energy market dominated by six power companies, vertically integrated with electricity suppliers. They led a dash for more profitable gas in order to enrich themselves and make fortunes for their shareholders. Because coal is twice as carbon intensive as gas, this brought UK emissions down in the 1990s, while the UK had plentiful gas reserves. Now, with more gas imported from Russia and a drop in the price of coal, coal-fired power stations are back.

Carbon capture and storage (CCS) is potential technology for putting carbon emissions back in the ground. There are some existing applications in the oil industry. However it is not yet a proven technology for new coal-fired power stations and probably won't be developed until 2018 at the earliest.

E.ON originally promised to make Kingsnorth “carbon capture ready”, so it could be retrofitted when and if the CCS technology is developed. However Greenpeace exposed an exchange of e-mails between BERR Secretary John Hutton's office and E.ON earlier this year.

E.ON wrote in January this year saying that Hutton “has no right to withhold approval” of the new plant and told the government it should not include CCS in their conditions for building the new coal plant. It took the government just six minutes to reply: “Thanks. I won't include.”

## SAVE JOBS?

At present E.ON employs 160 workers at Kingsnorth, as well as 90 agency workers. Most live within 20 miles of the site. It claims “a similar number of staff to those currently employed will be required”



2007's climate camp focussed on airport expansion

for the new units. On top of that, at peak, over 3,000 construction workers would be working on building the new power station, with jobs on offer over four years.

Workers in coal fired power stations have legitimate concerns about their jobs. That means making sure that capital and not workers — in this case E.ON and the government — pay for any decisions over the future of the site. It means looking at alternatives within the energy sector, which would ensure that every worker has alternative employment commensurate with their current position.

This might be at gas-fired power station or a combined heat and power (CHP) station — or even better, in the emerging renewables sector. E.ON itself has its own sites for the development of renewables.

This needs to be teased out with workers and their unions in the energy sector: only a plan that comes up from workers themselves is likely to convince Kingsnorth and other workers that their interests will be protected.

In the 1970s unionised workers produced plans for socially useful technologies, such as CHP, as well as wave, wind, solar and geothermal technologies. The most comprehensive came out of Lucas

Aerospace, but others in Vickers, Chrysler and Parsons were also advanced. GEC workers in Trafford mapped out the design of a tidal barrage across the Severn Estuary, an idea that is now under serious consideration. Car workers and others worked out plans for integrated transport vehicles, hybrid cars and cycle lanes.

The creativity of workers then shows what's possible — and how workers could become central to climate activism.

Denmark introduced a moratorium on coal fired power stations in 1990. It has also developed wind production. New Zealand has recently produced a climate change bill that will impose a moratorium on fossil fuel plants for 10 years. In Canada, all coal fired power stations built from 2012 have to meet emissions standards based on CCS.

The demand for a moratorium makes sense in the context of climate change, and given that CCS is not yet proven. A moratorium must include concrete plans, worked out by energy workers, to ensure that capital not labour pays for the policy.

• More information:

Stop Kingsnorth Power Station:  
www.wdm.org.uk/kingsnorth  
Matthew Lockwood, After the Coal Rush,  
IPPR 2008: <http://www.ippr.org>

## CLIMATE CHANGE ARGUMENTS

# Workers' organisation is key

Paul Vernadsky reviews *Global Emergency: the battle against climate change* by Roy Wilkes

**R**oy Wilkes's pamphlet summarises many of the basic issues on climate change clearly and succinctly.

Wilkes argues that climate change is a product of the epoch of capitalism and that it is no accident that the commodities which have come to epitomise capital in the modern era, the car and the aeroplane, are based on fossil fuels. He is clear that it is capital's drive for profit that determines the insatiable demand for fossil fuels as well as the bourgeois disregard for the consequences of capitalist production, which has driven the huge increase in greenhouse gas emissions over the last century. The world's poorest and most vulnerable people are most at risk from the effects of climate change.

Wilkes sets out some useful criticisms of the bourgeois palliatives to climate change. Amongst other things he dismisses the hype about Britain leading the way on climate change, pointing to the impact of UK multinationals, extending well beyond the usual 2% figure to something like 15% of global emissions.

I found one or two of his criticisms somewhat overdone. For instance he is too hasty in dismissing the potential technology of carbon capture and storage (CCS), particularly given the overwhelming role of coal in the world economy. CCS won't prevent climate change, but it may make some contribution towards diverting some emissions

which are inevitable given the limits of current renewables and the desire to avoid, rightly in my view, both nuclear and biofuels.

Wilkes raises a series of “transitional demands” that make sense in the present situation. These include:

- Zero-carbon housing for all, a crash insulation programme carried out by direct labour.
- Towards 100% renewable energy, through nationalisation of the energy companies and worker conversion plans like Lucas Aerospace.
- Towards free public transport.
- The right to food, through free school meals and neighbourhood restaurants.
- Fight the destruction of the rain forests and solidarity with the indigenous peoples.
- Stop wars for oil and the arms trade.
- Halt and reverse the growth in aviation. No airport expansion. An immediate ban on domestic flights and on private jets. Longer holidays.

Wilkes says these demands are aimed at mobilising the two main forces that can avert climate change: the organised working class and young people. He is right about the key agents, but somewhat behind the debate, which has moved on significantly in both the unions and among the young activists over the last year.

His pamphlet could be read by militant workers as an argument for making climate change central to the transformation and revival of the labour movement. In particular he is right to argue that the shorter working week and longer holidays are key

transitional demands to mobilise workers around, for their own sake as well as for their ecological benefits.

However, the case for the primacy of workers as environmental actors is not theorised in the pamphlet, nor does it adequately base itself on the strengths of union environmentalism, (such as Green bans in Australia, bans on toxic and nuclear waste dumping at sea) or on much of official union policy against climate change. Some areas, particularly energy, are problematic, but ideas like integrated public transport and legal rights for environment reps have, by and large, been adopted and propagated by unions. The point is, there are foundations on which to build in the unions — *we are not starting from scratch*.

To his credit Wilkes poses a key question: “How do we protect the livelihoods and jobs of those who work in environmentally unsustainable industries?” But the pamphlet does not engage with the debate around “Just Transition”, other than to mention the Lucas Aerospace workers' plan. The ideas of workers control deserve much more space and explanation, not least because of the experience of workers in the 1970s. We have to cut emissions whilst defending jobs, and socially useful production needs to be teased out and made concrete if we are to convince workers in these sectors — ideally by workers themselves.

It is evident from the climate camp agenda this year at Kingsnorth that many activists have got the message about the importance of workers. The job of socialists is to help develop that understanding into

direct engagement with workers in these sectors, who may initially be hostile but who can be won to progressive politics.

The problem for Wilkes is that it is impossible to turn to class politics with Respect. It is a great pity that the pamphlet is prefaced by George Galloway, whose sycophancy towards leaders of certain oil states ought to disqualify him from speaking on climate change completely. The cross-class populism of Respect also determines the omissions in the pamphlet. The role of Stalinism in perverting the labour movement on environmental questions for decades is not discussed; nor is the current Chinese government critiqued for its role.

More significantly, there is no criticism of the sub-imperialist oil states such as Iran, Saudi Arabia and Venezuela, who are a subordinate but nevertheless significant part of the fossil-fuelled capitalist world economy.

We also have to avoid becoming lighting conductors for renewable capital or for a renewed fetish for small businesses, local produce and other anarcho-utopias. Capital large and small is braying to feed on the profitable opportunities offered by the emerging low-carbon regime. Our critique of the old carbon complex should not blind us to the limitations of their potential “green” capitalist successors.

The socialist left can help build a movement to prevent climate change within the unions, and help turn the best of the young climate activists towards working in as well as with the labour movement. But only if we develop an independent, Third Camp, working class ecological politics.



# Before Hitler came to power

Those who do not know what the working class movement has done will not be able to imagine what it is capable of doing and will do in the future. Much of the real history of the movement is lost; it is one of the central functions of revolutionary socialists to act as the custodian of the memory of the working class and its movement. The history of the revolutionary German labour movement that went down to defeat before the Nazis in 1933 is a case in point. This article, which we publish in two parts, outlines the history of the German workers' movement in the 15 years before Hitler consolidated power. It was published in the US Marxist journal *Fourth International* in February 1943, in response to a comment on recent German history by the US government minister Cordell Hull. The author was Sherry Mangan (writing under the name Terence Phelan), a well-known US journalist and secretly, using his journalistic assignments as cover, a key organiser of the international Trotskyist movement at that time. Part two in the next issue.

**I**n the American "white paper" Peace and War, there is a particularly strange statement made by Secretary Hull: "the most incomprehensible circumstance in the whole modern world is the ability of dictators, overnight almost, to stand 35 million Italians and 65 million Germans on their heads and so dominate their mental processes that they arise the next morning and insist on being sent to the front-line trenches without delay."

Hull must know perfectly well that for 15 years after World War One the German workers bitterly battled Nazism on its rise to power, became the first victims of its sadistic tyranny, and would be the last to volunteer in its defence. Hull's farrago of nonsense might be dismissed as hill-billy ignorance were it not that it coincides with a "hate" campaign by government spokesmen and the kept press designed to identify the German people with the Nazi regime, by muddling up the entire question of how Hitler came to power.

It is necessary to remind the new generation of American workers how courageously their German brothers fought for fifteen years for a workers' world — fought on the barricades in 1918-19, 1921 and 1923 — and were ready to fight again to smash Hitler in 1931-33, but were betrayed to the Nazi terror by the folly and treachery of their leaders.

The two main prerequisites for the success of fascism are: such a profound and insoluble crisis of capitalism that it can no longer maintain democratic forms; and the failure of the working class to carry through the socialist solution to that impasse. Only after the proletariat has had its chance and failed through the lack of a mass revolutionary party, failure to seize the revolutionary opportunity, or defeat of the revolution by force or betrayal — can fascism, counter-attacking, become the government. In the undeveloped notes for his last article, Leon Trotsky made the following more detailed formulation:

"Both theoretical analysis as well as the rich historical experience of the last quarter of a century have demonstrated with equal force that fascism is each time the final link of a specific political cycle composed of the following: the gravest crisis of capitalist society; the growth of the radicalisation of the working class and a yearning for change on the part of the rural and urban petty bourgeoisie; the extreme confusion of the big bourgeoisie; its cowardly and treacherous manoeuvres aimed at avoiding the revolutionary climax; the exhaustion of the proletariat, growing confusion and indifference;

the aggravation of the social crisis; the despair of the petty bourgeoisie, its yearning for change, the collective neurosis of the petty bourgeoisie, its readiness to believe in miracles; its readiness for violent measures; the growth of hostility toward the proletariat at which has deceived its expectations. These are the premises for a swift formation of a fascist party and its victory." (Fourth International, October 1940.)

Each of these preconditions rose, waned, rose again and finally all juxtaposed in the final crisis that brought Hitler to the chancellorship.

## THE CRISIS OF GERMAN CAPITALISM

The post-war situation of Germany was catastrophic. Of her armed forces, more than 1,250,000 men died; 4,250,000 were wounded. Nor did the Armistice stop the slaughter: before the Allied blockade was lifted, a million more had perished from hunger. From the continental body of Germany, the Versailles Treaty cut 10 per cent of the population, 12 per cent of the area, including one-quarter of her coal deposits and three-quarters of her iron deposits. As for overseas trade, her colonies were all seized, and 80 per cent of her merchant fleet. She was stripped of hundreds of thousands of heads of cattle and poultry, a large proportion of her railway rolling stock and barges. On an economy already shattered by war, the Versailles Treaty piled astronomical reparations payments. Germany had become the weakest link in the capitalist chain.

The Weimar Republic was economically unviable. Suffocated by Versailles, full of concentrated contradictions, it staggered from crisis to crisis. The inflation of 1920-23, though it put 70,000,000,000 gold marks in the pockets of big business, utterly ruined both petty bourgeoisie and proletariat. The temporary stabilisation of world capitalism and the influx of foreign loans enabled Weimar to creak along again from 1925 to 1929. But then the world crisis of capitalism struck. By the middle of 1932, the situation of Germany was the following:

"...German production was fifty-five per cent of what it had been in 1928. Nearly seventy-five per cent of industry was at a standstill. Between January, 1920, and January, 1933, imports declined by two-thirds and exports by nearly half. In three years \$7,290,000,00 had been taken from the incomes of the workers. The average weekly wage in eighteen months had been reduced from \$10.24 to \$5.48. Unemployment benefit was \$9 a month. Taxation crippled the workers and poor, Crisis Tax, Occupation Tax, Head Tax, Salt Tax, Turnover Tax to the small trader. But on the other hand the big magnate, had been granted financial aid amounting to \$699,840,000. By this time the unemployed were nearly seven million, and there were 300 suicides per week." (CLR James: *World Revolution*).

It was obviously impossible to continue thus. On January 1933, German finance capital made its decision, called Hitler to the chancellorship.

## THE REVOLUTION OF 1918-19

Twice the German workers had power within their grasp: on several other occasions they had a fighting chance. They failed, not for any lack of militancy, heroism or self sacrifice, but other reasons which will appear; yet by the pitiless operation, of the historic law, they are now paying with their lives, the penalty of these failures.

The German revolution of 1918 reflected the blaze of hope kindled throughout

Europe by the Soviet October. The anti-Bolshevik Winston Churchill became witness in his *World Crisis* that "the German prisoners liberated from Russia by the Treaty of Brest-Litovsk returned home infected by the Lenin virus. In large numbers they refused to go again to the front." General Ludendorff confirms this. According to memoirs of Prince Max von Baden, Ludendorff desperately needed the 27 divisions from the Russian front for the West but he sadly agreed with General Hoffmann that "the morale of these troops has been so undermined by Bolshevik propaganda that they would be of no real service in an attack."

Nor was Soviet solidarity with the German revolution limited in those pre-Stalinist days of Lenin and Trotsky to mere sympathy: MP Price, who was on the spot testifies in his *Reminiscences of the Russian Revolution*:

"At a special meeting of the Moscow Trade Union Council... I heard Lenin offer the support of a million Red soldiers and all the material resources of the Soviet republic to the German workers if they should overthrow the Kaiser's government and get into difficulties with the Entente."

The Kiel sailors' mutiny of 2 November 1918 set up the first soviets (called "Soldiers' and Workmen's Councils") Kiel was quickly followed by Hamburg, Lubeck, Leipzig, and Dresden. The workers showed they meant business, and the rest of the war-ruined and desperate toiling masses of Germany swung behind them. A general strike on 9 November forced the Kaiser's abdication. But the social democratic leaders Ebert, Scheidemann and Noske, worked skillfully to save capitalism. On November 10, Ebert made a secret agreement with the Imperial Chancellor, Max von Baden, and that day the social democratic organ, *Vorwärts*, published its notorious appeal: "Citizens, away from the streets; keep law and order." A provisional government of six (three social

democrats, three independent socialists — Liebknecht was invited but refused to enter it) was set up under the pseudo-revolutionary title Council of Peoples' Commissars. Meanwhile a secret conference between the social democratic leaders and the top German industrialists, which had begun on 1 November, continued to the 15th as if there were no revolution at all: at it the social democrats agreed to strangle the revolution in return for a few gains.

On 16 December there convened in Berlin the national Congress of Soldiers and Workmen's Councils. This would have become, as in Russia, the organ of proletarian power had there had been a trained and patient Bolshevik party to guide the workers. Instead, the social democratic leaders prevailed on it to abdicate in favour of a Constituent Assembly. Next, Scheidemann and Noske deliberately began a series of provocations designed to shoot down the most revolutionary sections of the workers. In Berlin, the provocation was the ousting of the Independent Socialist Police Chief Eichorn. In protest on 6 January 1919, the impatient workers took to the streets; the social democratic government fled. Karl Liebknecht, who with Rosa Luxemburg had formed in December the Spartakusbund, was chosen by the Berlin revolutionists to form with Ledebour a revolutionary committee to set up a new government. Scheidemann and Noske gathered reactionary army officers who slaughtered the workers; the *Vorwärts* published an open incitement to the murder of Liebknecht and Luxemburg which army officers carried out a week before the 19 January elections to the Constituent Assembly. By these and other bloodlettings, Noske and Scheidemann beheaded the German working class of its best elements. The effect showed in the Assembly election results — bourgeois parties, 236; social democrats, 163; Independent Socialists, 22. The way was open to the Weimar Republic, whose rickety structure



Hunger riots in 1918





Armed Spartakusbund workers

was precariously erected on the corpses of the German workers.

Yet even in the ebb that followed, the workers demonstrated their militancy and courage. The opening of the Constituent Assembly was next by uprisings in Berlin and elsewhere. In April a Soviet Republic was declared in Bavaria, only to be crushed by troops from the north. Noske's bloodhounds, as they were called throughout the world, killed 15,000 workers in the first nine months of 1919. Yet, when the extreme right-wing General Kapp in 1920 made his Putsch on Berlin and the social democratic ministers ran for their lives, the workers rose and drove the Kappists out. Again in 1921, in the "March Action", the newly formed and raw German Communist Party (KPD) reacted to the dispatch of troops against the striking miners in the Mansfield district by calling for a general strike, the arming of the workers, and the overthrow of the government, and considerable sections of the workers rallied valiantly. The regional "March Action" was premature and therefore putschism, yet the fact remains that the workers who were reached fought with a selfless courage against hopeless odds.

#### THE LOST OPPORTUNITY OF 1923

After a brief interlude of precarious stabilisation of the bourgeoisie's position, Poincare's occupation of the Rhineland in January 1923 to enforce the payment of reparations "in kind!" precipitated a new revolutionary situation. The capitalists called for "passive resistance" but joined with the French military in smashing strikes and lined their pockets during the resultant galloping inflation. By June the mark had fallen to over 70,000 to the dollar. The savings of the petty bourgeoisie evaporated. Prices sky-rocketed, while wages



The betrayers: SPD leaders

lumbered only slowly after them. Suffering was universal. Middle classes as well as proletariat boiled with revolutionary ferment. The social democratic leaders could no longer restrain their own masses. By the thousands they poured out of the SPD into the KPD (the German Communist Party). As inflation soared dizzily higher (by August the mark was over a million to the dollar), broader and broader layers of the population were radicalised and clamoured for action. Strikes were practically continuous.

The government's state-of-siege regulations were laughed to a scorn by the workers. The factory councils were renewed by new elections of Communists and workers' militias sprang up. By August, a general strike toppled the all-capitalist cabinet. Once more, the social democratic leaders rushed to offer capitalism. Their aid: they entered a coalition cabinet and manned the crucial ministries: Interior, Justice, and Finance. The moment of the Communist Party approached. It had, openly behind it

or as enthusiastic allies ready to accept its leadership, the vast majority of the German working class, even the bourgeois leaders later admitted this fact. The most favourable revolutionary situation in a generation rushed toward its climax: the workers' seizure of state power.

But here entered, for the first time in the Comintern, the paralyzing hand of Stalin. Lenin was in his last illness; all the attention of the "Troika" (Stalin, Zinoviev and Kamenev) was absorbed by their manoeuvres against Trotsky, whom they were isolating. At the June 1923 meeting of the Executive committee of the Communist International, the Troika did not even place on the agenda the question of preparing the German insurrection. Stalin, who with this action began to win his title of "the organiser of defeats," was particularly opposed to the seizure of the unique opportunity. A year later he was to launch his utterly false theory of building socialism in a single country; and already that theory's evil concomitant, no revolution anywhere else, was embryonic in his thought. In a letter in August to Zinoviev and Bukharin, the then principal members of the ECCI, he wrote:

"If today in Germany the power, so to speak, falls and the Communists seize hold of it, they will fail with a crash. That is the 'best' case. And at the worst, they will be smashed to pieces and thrown back. The whole thing is not that. Brandler [leader of the KPD] wants to 'educate the masses', but that the bourgeoisie plus the right social democrats will surely transform the lessons — the demonstration — into a general battle (at this moment all the chances are on their side) and exterminate them. Of course, the Fascists are weak in Germany. In my opinion, the Germans must be curbed not spurred on." (Revealed by Zinoviev in 1927; published in Arbeiterpolitik, Leipzig, 9 February 1929).

It is history that Stalin had his way. But that would have been impossible — he had not yet seized open control of Communist parties — had the leadership of the, KPD possessed the necessary independence and soundness in estimating the situation. Despite the readiness of the great masses to follow the Communist Party, there appeared in that same vacillating tendency as that of Zinoviev-Kamenev of the Bolshevik revolution. As Trotsky immedi-

ately afterward underlined, in his *Lessons of October*, contrasting the Russian and the German Octobers:

"It seemed to them [the German leaders] that the constantly rising revolutionary floodtide would automatically solve the military question. But when the task stared them in the face the very same comrades who had heretofore treated the armed forces of the enemy as if they were non-existent, went immediately to the other extreme. They placed implicit faith in the statistics of the armed strength of the bourgeoisie, meticulously added to the latter the forces of the Reichswehr and the police then they reduced the whole to a round number (half a million or more) and so obtained a compact mass force armed to the teeth and absolutely sufficient to paralyse their own efforts. No doubt the forces of the German counter-revolution were numerically strong... But so were the effective forces of the German revolution. The proletariat poses the overwhelming majority of the population in Germany ... the insurrection would have immediately blazed in scores of mighty proletarian centres. On this arena, the armed forces of the enemy would not have seemed nearly as terrible as they did in statistical computations, reduced to round figures."

(First published 1924)

With the weight of the Troika added to the fears of the faint hearts, the KPD was derailed. Its leaders tried to mark time; but what does not progress slips back. Encouraged, the capitalists tentatively launched a counter-attack: the coalition cabinet declared martial law; a rightist dictatorship was set up in Bavaria; the homes demanded annulment of the eight-hour day. The workers, as always in the first ebb of a truly revolutionary situation, reacted with a furious wave of redoubled militancy and looked to the Communists for leadership.

The party failed to give it — not even when troops from Berlin were sent to depose the KPD-supported provincial government of Saxony and Thuringia. An uprising was conditionally planned, then called off. The Hamburg motion was not warned of the cancellation, and there resulted a tragic miniature putsch, in which the workers gave still one further demonstration of the almost incredible heroism (a mere 300 captured all the Hamburg police stations and the uprising held out for three days against the entire might of the German state, including two new navy cruisers rushed to the harbour). But it was a local putsch, not a German revolution. The moment missed, repressions doubled. The workers felt tricked, leaderless. The petty bourgeoisie, which had characteristically swung behind the working class when the latter seemed triumphantly advancing toward power, was visibly "deceived in its expectations," and within it there began that "growth of hostility toward the proletariat" described by Trotsky as a precondition of fascist growth. Reaction felt a new confidence: the few 1918 gains, such as the eight-hour day, were wiped out, and wages plummeted; 9,000 workers were hauled before the courts; the Communist Party itself was outlawed for a time. The bourgeoisie dismissed a trifling Putsch in Munich, led by the slightly mad General Ludendorff and an unknown ex-serviceman named Adolf Hitler: as yet it had no need of fascism. It was providentially aided at this moment by the temporary stabilization of world capitalism which lasted till 1929.

In his *Third International after Lenin*, Trotsky succinctly summarizes":

"Here we had a classic example of a missed revolutionary situation. After all the German proletariat had gone through in recent years, it could be led to a decisive struggle only if it were convinced that this time the question would be decisively resolved and that the communist party was ready for the struggle capable of achieving the victory. But... the leadership as a whole vacillated and thin irresolution was transmitted to the party and through it to the class. The revolutionary situation thereby missed."

Thus was created the second main prerequisite for the mass growth of a fascist party: that the working class had had its choice and (through no fault of its own) had failed.

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## IDEAS FOR FREEDOM

## US POLITICS

# Traditions and tasks Socialists and Barack Obama

BY DUNCAN MORRISON

**"I**t is the specific duty of the leaders to gain an ever clearer understanding of the theoretical problems, to free themselves more and more from the influence of traditional phrases inherited from the old conception of the world, and constantly to keep in mind that socialism, having become a science, demands the same treatment as every other science — it must be studied." (Friedrich Engels, *The Peasant War in Germany*)

One hundred and sixty people attended Workers' Liberty's annual Ideas for Freedom event on 11-13 July. It was a vibrant and youthful affair.

The central theme of the school was revolutionary traditions. Sessions focussed on the politics of Simone De Beauvoir, Antonio Gramsci, May 1968, and the Russian Revolution as well as sessions on more topical issues such as the aftermath of the Italian elections, Zimbabwe and the environment.

In addition, there was an "Introduction to Marxism" stream. As with previous events the school featured speakers who disagree with Workers' Liberty and open debate and argument were encouraged through out the weekend. The purpose of Ideas for Freedom is to educate ourselves with the necessary politics for rebuilding and arming the workers movement for the struggles ahead. The potential for this was emphasised in our discussions with the striking tube cleaners, local government workers and civil servants.

The urgent necessity of the task was clear when we discussed the economic crisis and the fight against fascism. As Rosa Luxemburg put it "It will be socialism or barbarism". Ideas for Freedom was a contribution to ensuring it will be socialism.

• Keep up to date with Workers' Liberty events: [www.workersliberty.org/events](http://www.workersliberty.org/events)



Simone De Beauvoir and Gramsci were subjects for discussion

The following article is by Malik Miah one of the editors of the US socialist magazine *Against the Current*. We print it in the interests of debate and to relate to an issue that extends beyond the American left. We invite our readers to write contributions to this discussion. Solidarity's political stance can be found on the back page of this paper.

**N**ow that Illinois Senator Barack Obama has become the presumptive Democratic nominee for president, what does it say about US civil society? What stance should progressives and socialists take?

When Obama crossed that 2118-delegate threshold with the final primaries in Montana and South Dakota, all African Americans — Democrats, Republicans, independents and socialists — understood the meaning of a son of an African immigrant from Kenya and a white mother from Kansas, to get this far in American politics. Martin Luther King, Jr., may have had a "Dream" that it could happen, but few believed it could occur in the lifetime of those who marched in Selma.

## AN IMPORTANT DISCUSSION

In the previous issue of *Against the Current* (ATC 134) I explained why Obama's campaign was an important indicator of changes in US society. At the same time, I noted that racism is still alive and well as reflected in the virulent attack on Obama's former pastor Rev. Jeremiah Wright.

I particularly explained the fact that Obama did not immediately throw Wright under the bus when Wright used old fashioned Black Nationalist rhetoric to criticise US domestic and foreign policy. Obama's Philadelphia speech on the history of race relations was noteworthy coming from a major capitalist politician having a chance to become president.

In response to my article in the May-June issue, which included a look at the history of Black Liberation Theology, some on the left felt my stance implied sympathy for lesser evilism — perhaps that saying independents and socialists should embrace and engage the supporters of Obama, especially his young backers, was a move toward supporting a candidate of one of the major Big Business parties which have a global policy of neocolonialism and neoliberalism.

Nothing could be further from the truth.

## LETTER

# CWU debate report not accurate

**T**he article "A watershed moment in union politics" in *Solidarity* 3/135 contained misleading comments about the events at the CWU Conference earlier in the month.

Firstly, it made reference to the motion that called for the CWU to campaign to reverse the decision of the 2007 Labour Party Conference in Bournemouth to restrict democracy. This motion did not "fail to reach the floor". It was on the agenda but was not reached due to a prolonged debate on a motion that called for the CWU to disaffiliate from the Labour Party and support a new workers' party. The motion on the Bournemouth changes, which was a composite from several branches including my own, was due to be supported by the National Executive. Likewise, another motion mentioned in the article that called for us to rebalance the unions political fund money towards campaigning, and to

Rather, the Obama ascendancy reflects some fundamental changes in society that must be recognized by those of us seeking a working-class government and state. The societal changes are based on the victory of the civil rights revolution of the 1960s.

We are not in a "colourblind" society as the neoconservatives pretend. The fact that most of his supporters, and Obama himself, are a by-product of an era where young people increasingly mingle with other races and ethnic groups is new. That a Black man or a woman can be elected president is a direct result of real changes. They are not simply cosmetic or temporary.

At the same time, racism is a daily occurrence for the typical Black. A tall Black man walking down the street who is not known still strikes some fear in many. Going into an all white area where a Black person is not known strikes a similar response. However, what's "new" is you can now do that without necessarily being attacked or arrested. An African American can now move into those neighbourhoods if you have the wealth to do so.

The power structure, of course, is still controlled by white men. But the rise of a middle class of all races is real. The fact that Hillary Clinton received 18 million votes, and had a fervent following of women who grew up in the second wave of feminism in the 1960s and 1970s, means that young women believe a woman can now become commander in chief of the United States.

The *New York Times* columnist Bob Herbert observes in a June 7 column, "savour the moment," that 40 years ago, the same year that Martin Luther King Jr., and Robert Kennedy were both assassinated, "The notion in 68 that a Black person — or a woman — might have a serious shot at the presidency would have been widely viewed as lunacy." He adds, "A Black man president? You must be joking."

A woman as president? "According to the National Organization for Women, in a statement of purpose issued in 1966, fewer than one percent of all federal judges were women, fewer than four percent of all lawyers, and fewer than seven percent of doctors," Herbert notes.

Sexism and racism are still prevalent. But the real progress is evident everywhere — the majority of medical school graduates are now women, and there are many women on Fortune 500 Boards and officers, and a few dozen in the US Congress.

Young people have been galvanized by

the Obama phenomenon. The stance toward Obama thus should be of positive opposition, not "critical support" as some progressive Black leaders have advocated.

## POSITIVE OPPOSITION

**I** cannot vote for a Democrat or Republican candidate, as each party represents the policies of the ruling class. As a socialist, I will not vote for an African American or woman as the head of either party that is responsible for wars of aggression and occupation in Afghanistan or Iraq and threatens Iran and Palestine. I firmly believe we need to build a mass labor party and political party of the left that can defend the true interest of working people.

I reject "critical support" to Obama for that reason. But since we don't yet have the labor or mass left party, and we don't have mass social movements or a large-scale active antiwar movement, the challenge is to raise the class issues in the context of the electoral arena.

How? It means positively engaging Obama's supporters and his campaign on the broad agenda issues. It means attending the campaign's events and talking to the young supporters about upcoming rallies against the war, solidarity with striking workers, and for single payer health care.

Electing the first African-American president, like electing the first Black mayors 40 years ago, is relative progress but not a solution to underlying class and social issues.

That's why the campaigns of progressive third parties are important electorally. But for me the stance of attacking Obama as a Democrat, quoting Malcolm X's "The Ballot or the Bullet" speech, and going all out for a small socialist group's campaign on ideological grounds, or the Green Party campaign of Cynthia McKinney or the independent candidacy of Ralph Nader, is not the most effective way to influence those who will become disillusioned.

While I will likely vote for one of these options (although pure electoralism is not the road to mass independent working-class action), I consider the priority to be positive engagement with Obama supporters.

The challenge is to recognize history in the making while not moving away from the goal of a mass labor party and working-class based government.

Maria Exall





Julianne Moore plays Barbara Baekelands

FILM

# Us and them

ROSALIND ROBSON REVIEWS SAV-  
AGE GRACE

Is there ever a point to examining the lives of the idle super-rich. Do we really need to know about the hyper-disfunctionality of their family life? Wait a minute — isn't that the question they usually ask about us plebians?

Whatever. *Savage Grace* looks at the lives of Brooks Baekelands (heir to a fortune made by his grandfather, the inventor of "bakelite"), wife Barbara and son Tony. Little Tony, who grows up to stab his multiple-abusive mother. Little Tony who was left to take care of his often suicidal mother, because his father ran off with Tony's girlfriend. Nice.

Better I suppose to be shown all the appalling details — histrionics, snobbery and incest — than be dished up an obsequious, envious, account of the marriages, births and divorces of minor royals and minor/major celebrities as in *Hello* magazine. So now I know: money makes you self-centred, shallow and very very strange! And there I was thinking that the idle rich were beautiful on the inside as well as on the outside.

Is there a point to this film? Well, yes. After you get over feeling alternately creeped out and embarrassed you realise that it is actually a very good unmasking of the post-war media obsession with the

lives of the very rich. By showing the changing (and progressively deteriorating) life of one such family, Tom Kalin, the director, gives us an historic picture of our fascination with "luxury lifestyles". None of this began in with *Hello*, the 1990s and Paris Hilton.

Watching the film move from the 50s through the 60s and 70s I remembered how in my childhood I would steal my parent's *Titbits* magazine, to read about people such as Grace Kelly. Now there was a celeb story that had everything... a beautiful filmstar (when filmstars were goddesses), a fairy tale wedding, marriage to a handsome prince... Except of course it was all balls. The family of the Prince and Princess of Monaco were a drug-swilling, divorce-happy, car crash (literally).

Kalin shows us the essential hypocrisy of the rich — many times more dysfunctional than you or me — and the essential illusion of our fascination with the rich. He does this by creating a series of little scenes. For instance, at the beginning Barbara is speaking in a pretentiously polite, waspish American voice to her trophy husband. Then quite soon, she gets peevisish at spotting a snag in a chiffon scarf. "Fuck it" she says. The mask comes down.

This film made me uncomfortably aware of my (very limited) appetite for salacious gossip. It really is time to give it all up forever and go do something about getting rid of those parasites.

FILM

# Dealing with abuse

DARCY LEIGH REVIEWS TO SEE IF  
I'M SMILING

In Tamar Yarom's film six young Israeli women talk about their experiences during compulsory military service in the occupied territories. The women describe their roles in the physical and psychological abuse of Palestinians as well as their deliberations over alerting the press to the ritual abuse. The film is an exploration of how these women might face up to and deal with these memories and responsibilities. The title is a line from the functional protagonist — a woman who wants to track down a photo of herself taken beside a dead Palestinian with an erection — "to see if [she's] smiling".

The youth of the women is striking, as is the ease with which they slip into abusive group behaviour and even individual impulsive acts of violence. Equally striking is the courage that it appears to take to confront their pasts — pasts shared by many other Israelis.

Yarom explains that her choice to focus on women was in part because women's stories are rarely heard and are seen as being "minor" in comparison to the more "extreme" experiences of male Israeli soldiers. The significance of being a woman in the Israel military is a theme — one woman mentions the need to somehow de-sex by wearing androgynous clothing, whilst another describes an encounter during a conflict with a woman and her child and the look in the mother's eyes when they meet hers. They all point out the exclusive masculinity of the army although one suggests that being a woman in such an environment made her feel like she had special status.

The film closes with its "protagonist" finding the photo of herself and the dead Palestinian. The viewer does not get to see the photo but they do get to see her looking at it and struggling to grasp what it means. We are left with an image of her and all the women in the film as suffering psychological after-effects, including guilt, emotional distress, alcoholism and post-traumatic stress disorder amongst others.

Yarom states that though her intention was to leave the women seemingly broken by their experience, the reality is very dif-

ferent. In fact, many of the women have gone on to be left-wing political activists, speaking out against the conflict.

Given that Yarom identifies as left-wing — saying she sees collective organisation from below, rather than appeals to politicians, as the only solution to the conflict — her choice to leave out the real-life conclusions of these women's stories is puzzling.

On one hand the exclusion does represent the unsolved nature of the conflict, the pain it involves on a personal level and what she may see as the irreparable damage resulting. On the other, however, it seems to rob the women of their empowerment through making the film, through speaking out about their experiences and through their politicisation — removing from them the power and agency to really deal with their situation (though credit must be given to the portrayed power and agency involved in confronting it).

Whilst the wider context seems to take precedent and importance over the individual women's stories, nothing is explicitly included about Yarom or the women's attitude to that context.

Despite these contradictions, however, the film takes an unusual angle and leaves the viewer thinking about a less well-known aspect of Israeli society.



Israeli women soldiers

PARABLES FOR SOCIALISTS

# Phoenix!

I will not die!  
I am the Phoenix:  
I have been drowned in fire and blood  
By open foes, devoured  
By predatory allies and masters, reduced:  
I rise again  
I am eternally self-renewing  
I saw Hitler loom above Rosa Luxemburg's grave  
And then fled East  
To hail his other self  
I am the true Phoenix.  
I hailed Stalin  
Saviour and Father of the Peoples  
The Tsar who yet somehow was not a Tsar,  
The Peoples' own Red King  
A comrade,  
Dialecticked  
Though Stalin had built himself a mausoleum  
To strut on, in triumph, dancing  
On the poor dry bones and waxy blind  
Forever silent ruin of  
The dead iconoclast, Validmir Lenin  
I am the Phoenix  
I saw Mao  
And Mao's Red peasant army moving through

Shanghai's old streets  
Where Chaing had butchered  
Riding in triumph  
To the palaces of my murderer's  
And I hailed Mao as God  
My all-renewing saviour  
I am the Phoenix  
I never die  
I fall in love with monsters  
I cross bred with horror  
My children were all monsters, or died young  
Many are born dead  
But I make life: I go on  
I am the Phoenix  
I am ignorant, credulous  
Senseless, wayward, often fooled: often fooled  
But I live!  
I torment seduce cajole rouse energise memerise  
I am treacherous, delusive, self-deluding  
Rest-destroying, death defying  
Id-sprung, I make life!  
I am the Phoenix.  
I am the heart of heartless worlds  
The sigh of the oppressed in vales of woe

Guileless, I have searched the Twentieth Century  
For my fatherland  
I have searched amongst verminous cults  
For the cult, the saviour  
That is not verminous  
That saves. I have proved Carlyle right  
It was a choice of the elite  
And yet I live, reborn  
I am prolific  
I rise and go down, sometimes in blood  
And yet I rise again and again and again  
I am the Phoenix  
I will not die  
I am Caliban  
Caliban overthrown, enslaved  
Who would be mine own king again  
I choose a shipwrecked drunken sailor on a beach  
To be my saviour and my king, if he  
Will kill oppressive Prospero  
I am the serf who prays to the Devil  
To the enemy of my enemy's God.  
I can not die, I go on.  
I am the Phoenix  
I was in that grey old bearded man,  
Who knew relentless death stalking him close,  
Had claimed his children  
And all his tribe:  
He made me from green and sunlit grass  
Beneath a window  
And from blue sky

High above a Mexican wall  
Proclaiming I should live  
Though he was certain soon to die  
I give life I am life  
Id-rooted, I  
I am the Phoenix  
I will not die!  
Workers will fight to live  
To be their own king:  
To give, relinquish, suffer, fight  
Knowing yourself a slave  
You must know more than yourself  
Or you will know less: I am more  
Though often, often I am less!  
I am the Phoenix  
I have seen Spartacus crucified  
Ten thousand times  
And then ten thousand times  
And still I live, reborn,  
I rise up out of the foaming blood,  
proclaiming  
With Rosa, out from the Kaiser Wilhelm's jail  
And on the eve of fiasco and death:  
I was. I am. I will be  
I will be because I must be  
I am the Phoenix  
I give life  
I am hope, Proletarian hope  
I learn to see, I can see what lies behind  
But I am born, and reborn, always, blind!  
Sean Matgamna 1988



## REVOLUTIONARY CHARTISM PART SIX

# Our strategy is revolution

CHRIS FORD CONTINUES A SERIES

## THE VENERABLE DEMOCRACY OF LONDON

**H**M Hyndman, writing towards the end of the nineteenth century thought that “supposing the time had been ripe in England, as many then believed, for a great social revolution, one important fact stood in the way of both the political and physical force revolutionists. In all serious upheavals, previous... London had taken a leading part... This was not the case in the days of Chartism”. The London Democratic Association (LDA) believed that it *was* in the metropolis “that the battle should be fought”; they knew they faced difficulties but they did seek solutions. The LDA’s stance is all but ignored by writers of the history, who point to “apathetic London”.

For the LDA the masses in the industrial districts could play a key role in energising London whether through direct intervention or leading by example. And the power of ideas were equally important to the LDA who believed that to rouse the “venerable democracy of London” the issue of universal suffrage was not enough. “It might only supplant one faction by another. Let the measures to follow upon Universal Suffrage be delineated”.

In the demand for a more radical course there was a need for a “plan of action to be laid before the people”. What kind of plan was determined by the LDA’s view that “there are two parties in the Chartist ranks, and what is more they have different objects in view.... The Peoples Charter, Peace, Law, Order etc or the People Charter Peacefully if we can, forcibly if we must”. LDA member JC Coombe warned that it was for the Metropolitan Charter Association to “choose which — blend them it cannot”.

So the LDA still faced a middle-class challenge in London radicalism, and this conflict surfaced in May 1839, when a rolling programme of mass meetings called by the LDA took place.

On 6 May LDA man William Drake, who had been elected to represent Tower Hamlets in the Chartist Convention, attempted to take his seat in the Convention; he was refused admittance. This cut short the efforts of the LDA to influence the Convention’s affairs through further elections. Days before the *London Democrat* had been encouraging its readers to “tell those who have assumed the leadership, that you are ready... you are determined to wait no longer, not even should the Convention advise you to do so.” After a year of agitation for the Peoples’ Charter the time was speedily approaching for the Convention to face its destiny. JC Coombe asked: “Has it not been generally understood that if Parliament rejected your demands this time, which you were to be prepared to enforce them? I say it has been so understood... What else has been the meaning of ‘peaceably’ if we can, ‘forcibly if we must?’ It has no other meaning..”

## QUESTION ON WHICH FREEDOM DEPENDS

As the LDA plunged into a week of rallies and demonstrations Harney asked “What should the people do, in the event of the House of Commons rejecting the Charter?”. A number of options stood before the movement, many of which were not new and indeed pre-dated Chartism:

“Various plans have been suggested such as: ‘Petitioning again!’, ‘Meeting and Remonstrating with Parliament’, ‘Abstaining from the use of Excisable Articles’, ‘A National Holiday’”. This last idea was the general strike. Far from Harney’s youth being a hindrance he ably stripped away one by one the old options under consideration, and espoused the necessity of revolution as the only viable course to obtain the Charter.

Harney repudiated all consideration of a second petition being submitted to Parliament: “Are the wiseacres who recommend this really serious in what they say... The people of England have, in the sight of Heaven and the universe, unanimously and solemnly swore upon their swords to *petition no more!*” Meeting with Parliament and holding “simultaneous meetings” in order to merely remonstrate, said Harney, “be as absurd as ‘petitioning again’. The tyrants would as much bid defiance to our empty threats, as they at present scorn our ‘humble petitions’.”

As for “consumer” boycotting as a weapon, he said: “It is enough you say, upon the proposition of ‘abstaining from excisable articles’ that the people of England have already laughed to scorn the attempt to humbug and deceive them in this line. It forms no part of the philosophy of Englishmen, because they may happen to be oppressed and deprived by cannibal institutions of nearly the whole of the necessities of life, to give up what few they have hitherto been able to retain”

Harney based his reasoning on the experience of a sec-



The LDA's base was among workers such as the weavers of Spitalfields

tion of the proletariat among whom the LDA had sizeable support: the impoverished silk handloom weavers of Spitalfields. He noted that there were “some thousands living, as the handloom weavers are, upon potatoes and oatmeal”. The very idea of such impoverished masses entering into a boycott campaign was folly. “The short and the long of the matter, is that Englishmen are miserable enough, and they know that to make themselves more wretched is not the way to be freed from their misery”. On the rejection of the petition there was left only one feasible alternative and Harney spoke clearly of its meaning.

## HARNEY AND THE GENERAL STRIKE

**H**arney believed that the “only one of the plans here proposed, which appears to me to be at all feasible, is the national holiday”. The idea was not new; it was popularised in 1832 by the old Radical William Benbow in his pamphlet the Grand National Holiday and Congress of the Productive Classes. But in the storm year of 1839 it took on an entirely different context.

Its practical implementation was being read and debated throughout the mass movement. Harney has been criticised for thinking in terms of “street fighting and barricades, of sans-culottes rather than industrial workers in factories and mines”. But he was more than familiar with the changed conditions brought about by the industrial revolution and articulated the revolutionary logic of this developed form of class struggle.

It was in this context that the *London Democrat* addressed the question in May 1839. Similarly Bronterre O’Brien opposed the strike in the Convention as “many would regard it as the beginning of a revolution, and to a certain extent that was his own view”. Harney took the general strike “to mean nothing short of insurrection!” Within the movement there were not only opponents who understood (and therefore opposed) this consequence, but also those who anticipated the anarchist argument that capitalism would simply collapse in the face of the General Strike. Even moral-force Chartists saw it leading to bankruptcies and the government’s collapse. Attwood believed during the “sacred week” (i.e. the strike’s duration) that “solemn payer” and “legal exertion” would win the Charter.

Harney had accepted the necessity of the strike even without all sections of the working class. “I shall pass over all minor objections, and will even grant that which I feel assured would not be the case, viz., that it really would be a ‘national holiday,’ that is, a general strike of the whole of the working classes throughout the country.” It was not romanticism. Harney’s argument was rooted in the conditions of the workers themselves:

“I ask how are the people to subsist during the ‘sacred week’? I presume I shall be answered that the people must provide themselves with a week’s subsistence beforehand. This I assert would be, on the part of the people, an impossibility; as this proposed holiday would be no secret, the upper and middle classes would have previously provided for themselves with a week’s, aye, and more than a weeks subsistence. But not so with the people”.

The country was in a depression, the workers pay was gone within days and the dynamic of hunger would drive the workers to “take by force the food from those who possessed it”. Harney believed if a clash with the state did not come from repression it would arise from necessity; from these impoverished conditions would come “the deadly conflict between those who had and those who had not the food. And what would this be but an insurrection and civil war? I would not object to this plan, but that those who have been its loudest advocates have, at the same time, denounced the arming of the people”.

The consequences were a strikingly accurate prediction of events. “Supposing a conflict, such as I have imagined, to take place in some one petty district, the people unarmed would suffer a murderous defeat.” The effects of the defeat would demoralise and break the movement elsewhere forcing a “return to their task-masters”.

A general strike for the Charter was not like any other strike; the dynamic of such a mass political strike was of a

revolutionary challenge. As opposed to the view of the general strike held by the pacifists and advocates of a “self-limiting revolution” as a method of blackmailing reforms from the government, Harney saw the general strike as a strategy for revolution. As such, if disaster was to be avoided, it was vital to prepare beforehand. Would the strike, if it had gone ahead at this point, have been a success? If the ideas articulated in the *London Democrat* on the general strike had gained hegemony in the Chartist movement, then the chances of success were open for history to judge.

## THE DAYS OF MAY

**M**ay was a crucial month for the Chartist movement, as it was planned to deliver the national petition and all eyes were on the outcome and the fateful decision on the “ulterior measures” (plans if the petition was rejected). As well as a series of mass meetings, the LDA had been agitating among the army. William Rider reported that the *London Democrat* had a readership in the army, and of a meeting in the Barracks Tavern in South London attended by 70-80 soldiers. Rider concluded that “I believe the soldiers will be our supporters in the coming struggle. I do fear the moral-force men will be traitors to the cause”.

The LDA had planned a series of demonstrations for the week, a notice was issued informing Londoners; of a public meeting to be held on 6 May in Smithfield Market. Important as this week was to the LDA, contrary to the myth perpetuated by some historians, there is no evidence that 6 May was, as David Goodway, puts it “the beginning of an uprising in London”. The *London Democrat* had called on the movement as a whole to arm in advance of the presentation of the Peoples Charter, and move to ulterior measures. The LDA called on the movement to adopt their principles and strategy. They did not seek to go it alone separate or against the movement in a sectarian manner. Indeed Harney was adamantly opposed to a premature uprising!

But on 6 May the Government majority in the House of Commons was reduced to a mere five and some ministers resigned. This meant that the Charter could not be considered by Parliament for some time; and made petitioning irrelevant to immediate problems. The Convention issued a statement urging the people not to be provoked into a premature outbreak but to resist attempts to repress their agitation by force if necessary. Nevertheless as reports came of renewed fighting in Llanidloes, on the evening of the 6th the LDA defied the Lord Mayor’s ban on their meeting. When the city police arrived, six thousand people marched from Smithfield Market to Islington Green. Harney chaired the meeting and is reported, by a police observer much relied on by historians, as having informed the crown to “shouts of applause” that “They would shortly be called upon to act... resist oppression and assert their just rights”. On Tuesday 7 May the Prime Minister resigned and the LDA held another demonstration. Coombe and Major Beniowski addressed six thousand people on Clerkenwell Green, where it was declared that: “In London they would plant the Tree of Liberty and Bleed the veins of the Government to succour it”. Two thousand then marched to Shipyard Temple Bar to hear Skeffy, the Convention delegate for Derby.

Whilst the government may have been in crisis, the state was starting to move. A Royal Proclamation was issued on 7 May for the establishment of armed associations of the upper classes. This impacted on the LDA who continued with their agitation calling further meetings on Clerkenwell Green on Wednesday 8 and Friday 10 May. On Friday the Finsbury Police Superintendent considered that the “language if possible was stronger than it has hitherto been” and on searching a pub on the Green he discovered five pikes.

The authorities now moved against the LDA and raided their headquarters at Ship Yard, Temple Bar. The headquarters were draped in the French tricolour flag and amongst the banners was the cap of liberty encircled with the words: “Free we live and free we die”. Thirteen men were arrested including Thomas Ireland and Samuel Waddington. The move against the LDA did not come out of the blue; the police had already been harassing the Association and warning publicans not to let rooms for local meetings.

The Convention adjourned and moved to Birmingham where it arrived on Monday 13 May. Harney addressed a 50,000-strong crowd: “It might be if the government began the reign of terror, the people would end it... It might be that the people should oppose them with the musket and the pike”. The same day in Newcastle — the constituency which had elected Harney to the Convention — Chartists fought a pitched battle with police and special constables. Unknown to Harney a warrant for his arrest was issued on 17 May. The decisive test for the movement had now arrived.



## MARXISTS ON THE CAPITALIST CRISIS 7: MICHEL HUSSON

# A systemic crisis: global and long-lasting

Michel Husson is a Marxist economist well-known on the French left, author of many books including *Critique de la marchandisation* (forthcoming) and until 2007 a member of the LCR. He responded to questions posed by Martin Thomas.

## ASSESSMENT

**1.** How do you assess the changes in the financial system over the last 25 years? How should we assess the current crisis in the light of those changes of the financial system, and how should we assess those changes in the light of the crisis?

The transformations of the financial system should be analysed on the basis of two fundamental tendencies which have been operating since the beginning of the 1980s.

The first is the tendency of the rate of exploitation to rise: almost everywhere in the world, the proportion of the wealth produced which comes back to the wage-workers has decreased, and the emerging economies are no exception here. Even the IMF and the European Commission are now registering this fact.

This decrease of the wage-share has allowed a spectacular recovery of the average rate of profit from the mid 1980s.

But, and this is the second tendency, the rate of accumulation has continued to fluctuate around a level lower than that before the crisis. In other words, the drain on wages has not been used to invest more.

The "Schmidt theorem" stated by the German Chancellor Helmut Schmidt at the beginning of the 80s — the profits of today are the investments of tomorrow and the jobs of the day after tomorrow — has not operated.

The growing mass of surplus value which has not been accumulated has mainly been distributed in the form of financial revenues, and that is where the source of the process of financialisation is to be found. The difference between the rate of profit and the rate of investment is a good indicator of the degree of financialisation.

We can also see that the rise of unemployment and casualisation goes together with the growth of the financial sphere. There too, the reason is simple: finance has succeeded in grabbing the greater part of gains from increased productivity, to the disadvantage of the wage-workers, by keeping wages down and by not reducing sufficiently, or even by increasing, work hours.

The relations between productive capital and financial capital have thus been profoundly modified, and the demands of super-profitability come to bear, through a feedback effect, on the conditions of exploitation.

For all that, we should not take a "financialist" view of contemporary capitalism, one which would see an autonomous tendency to financialisation plaguing the normal functioning of "good" industrial capitalism. That would be to artificially separate off the role of finance and the class struggle over value-added.

We must articulate the analysis of the phenomena correctly: when the rate of profit rises thanks to a wage slowdown, without recreating the conditions for profitable accumulation, finance takes up a functional role in reproduction by providing market outlets alternative to the economic demand from wage earners.

This approach is confirmed by taking into account globalisation. In the progressive constitution of a world market, finance plays a role of abolishing, as far as can be done, the marking-off from each other of spaces of valorisation. The great strength of finance capital is that it ignores geographical or sectoral frontiers, because it has gained the means of moving very rapidly from one economic zone to another or from one sector to another: capital movements can now be deployed on a considerably expanded scale.

The function of finance here is to sharpen the laws of competition by making the displacements of capital more fluid.

Paraphrasing what Marx said about labour, we could say that globalised finance is the process of concrete abstraction which subjects each individual capital to a law of value whose field of operation expands ceaselessly. The principal feature of contemporary capitalism is thus not an opposition between financial capital and productive capital, but the hyper-competition between capitals generated by financialisation.



Will the crisis spread to the "BRIC" countries (Brazil, Russia, India, China)? Brazilian stock exchange

## RATE OF PROFIT

**2.** Marxists habitually consider the rate of profit to be a key index of the health of capitalism. But, on some estimates, the increase in the rate of exploitation has brought about a substantial recovery of the rate of profit since the 1980s. Do you agree with this assessment?

The analysis of the current crisis should indeed start with a study of the development of the rate of profit.

After the generalised recessions of 1974-5 and 1980-82, a new phase opened in the functioning of capitalism, one which one could for convenience call neo-liberal. The beginning of the 1980s was a real turning point. A fundamental tendency towards increasing the rate of exploitation was unleashed, and that has led to a continuous rise in the rate of profit.

For a Marxist used to thinking about the tendency of the rate of profit to fall, this about-turn may be disconcerting. One can of course evade this difficulty by trying to show that if the rate of profit is correctly measured, then it will after all have a tendency to fall. But such efforts are not theoretically well-founded, and, though I do not have the time to discuss this in detail here, I believe that the traditional argument about a falling tendency of the rate of profit is erroneous.

It is more enlightening to focus on the fundamental characteristic of the neo-liberal phase, more or less unprecedented in the history of capitalism: the recovery of the rate of profit has not led to a simultaneous rise of the rate of accumulation. The rate of accumulation, taking an average over the various fluctuations, and excepting the "new economy" episode in the USA, has remained at a relatively low level.

If we analyse this starting from the Marxist schemas of reproduction, we see a problem of realisation, since neither wage-earners' economic demand, nor accumulated surplus-value, are rising at the same rate as the social product. The solution to this problem is based on the recycling of the non-accumulated surplus-value through the financialisation of the economy.

This quick sketch thus leads us back to two essential points. First, that financialisation is not an autonomous factor, but the logical complement of the reduction of the wage-share and of the scarcity of sufficiently profitable openings for investment. Second, that the increase in social inequalities (within each country, and between zones of the world economy) is an essential trait of contemporary capitalism.

## A CRISIS IN PRODUCTION?

**3.** Financial crises sometimes lead to crises in production and trade, but not always. The current financial crisis comes at a time when rates of profit are generally

high. Do you think that it will nevertheless lead to a serious crisis in production and trade, and how?

The current crisis is not just a financial crisis, because it puts into question the mode of growth in the USA and the configuration of the world economy.

In the USA, growth was based on a push from consumption, sustained by a continuous decline in the savings rate of households. It was in a way growth on credit, which presupposed an inflow of capital from the rest of the world to finance the trade deficit which resulted from the lack of domestic savings.

Add to that the budget deficit, explained in large part by the costs of intervention in Iraq.

That model of growth is thus based on a double imbalance, internal and external. Finance plays an essential role in managing both imbalances. Internally, it is finance which has made possible the growth of debt, especially on the mortgage market. Externally, finance has the function of maintaining the balance of payments.

The current crisis puts that regime of accumulation into question. Household debt is now blocked, and capital inflows are no longer guaranteed. Consequently, the financial crisis will probably lead to a recession in the USA, or at least to a long-lasting slowdown of growth.

Will that slowdown be transmitted to the rest of the world economy? There is talk these days about "decoupling", meaning that the growth of the emerging economies could keep up world demand sufficiently that the impact of the US slowdown will be limited. But that does not take into account the interweaving of the world economy, which also involves the relations between Europe and the USA and between China and the rest of Asia.

Dependence on exports to the USA cannot be measured simply by the percentage which they make up in the total exports of China. That would be to underestimate the criss-cross relations between China and other countries of Asia.

In Europe too, economic growth will slow down, for three reasons: the very high rate of exchange of the Euro in relation to the dollar; prices of imported primary materials; and government economic policies unfavourable to growth and employment.

Finally, the crisis may possibly encourage more internally-centred economic growth in China, reducing its contribution to world trade.

## IMPACT ON WORKERS

**4.** The financial sector feeds more and more on individual incomes rather than on business transactions. What are the implications of this fact for the

*Continued on page 14*



## impact of the crisis on working-class households?

The big question is, which social layers will bear the costs of the crisis? The answer differs in the different zones of the world economy. We can sketch the main outlines.

In the USA, obviously the mortgage crisis is plunging a large number of households into poverty. In numerous developing countries, the rise of food prices has already sharply increased the number of people affected by malnutrition or even famine. They are paying the price for neoliberal agricultural policies which have focused on exports and destroyed traditional agriculture.

In Europe, the restrictive monetary policy of the European Central Bank aims to make wage-earners' purchasing power bear the impact of the rise in primary-product prices.

The implacable code of capitalism insists that it be the working people who thus have to pick up the pieces for the vagaries of the system. To absorb the losses, it will be necessary to clean up the economy on the backs of the working class, by braking growth, by raising interest rates, and by using the current world-economy disturbances as a pretext once again to push down the wages of the majority.

According to the latest report of the ILO [International Labour Organisation], the financial turmoil could lead to a five-million increase in the number of unemployed in the world in 2008, a year "full of contrasts and uncertainties", as the ILO director general prudently puts it.

If these tendencies sharpen, they can only worsen the recessionary effects of the crisis by curbing demand. Conversely, this fact shows that the outcome of the crisis is an eminently social question.

Everywhere in the world, a transition to a less chaotic mode of growth would necessitate a different, more egalitarian, distribution of income, which would allow a reduction of the flows of liquid assets which are at the root of the recurrent financial crisis, a reduction of the intensity of international trade (and thus, by the way, of carbon dioxide emissions), and a better response to social needs.

The case of the USA is almost caricatural in its extraordinary degree of inequality in the distribution of income. Over the last 15 years, only the top 10 or 20% of the population have profited from the economic growth, and they have thrown themselves into a frenzy of consumption. To establish a stabilised mode of growth, a radical redistribution of income is necessary. There too, we come up against the social question.

## EXPANDING CAPITALISM?

**5. How do you see the current situation of capitalism? Is it still stuck in a "global turbulence" originating in the 1970s? Or has it developed a new model of generalised expansion?**

In terms of Ernest Mandel's theory of long waves, we face an ambivalent configuration.

On the one hand, we could say capitalism has been successful, since it has re-established a high rate of profit, and the current phase could thus be characterised as one of expansion.

But if we take the rate of accumulation ("the law and the Prophets" of capital, according to Marx) as criterion, we could on the contrary say that capitalism is stuck in a phase of recession and diminished dynamism. Add to that two economic elements : the specific instability created by the weight of finance, with a countless series of crises, and the fundamental imbalance which the trade deficit of the USA introduces into the current configuration of the world economy.

This fundamental imbalance is the symptom of a systemic crisis which is also without precedent in the history of capitalism, and is situated at a more profound level, putting into question the essential mainsprings of this mode of production.

The source of this crisis is the growing gap which exists between the social needs of humanity and the capitalist mode of satisfying those needs. Social demand goes for commodities which are not susceptible of being produced with the maximum of profit. The gap grows in two main dimensions.

The first, in the developed countries, is the displacement of demand from manufactured goods (in the production of which productivity is high) towards services with which smaller productivity gains, and thus smaller perspectives of profit, are associated.

No new economic outlet has taken up on a sufficient scale the role which the car industry played in the preceding, "Fordist", phase.

The second dimension is geo-economic, and results from globalisation. Globalisation tends to create a world market, or in other words an expanded space of valorisation. The lower levels of productivity of the less advanced sectors are directly confronted with profitability demands set according to the performance of the most competitive countries or businesses. A "crowding-out" effect results, so that a certain number of lines of production and thus of social needs which they could

satisfy are no longer admissible because of the criteria of hyper-profitability which they face.

In these conditions, the reproduction of the system goes through a double movement: extension of the domain of commodities, and refusal to respond to non-profitable needs.

Contemporary capitalism is thus a "pure capitalism", in the sense that it has brought together the conditions which it itself demands for an optimal functioning from its point of view. Rather than an improvement in social welfare, pure and perfect competition, free from regulations, rigidities and other distortions, brings to light a total absence of legitimacy, since social regression is explicitly the main desideratum for the success of the system.

## US HEGENOMY?

**6. Since the 1970s at least, the prevalent view among Marxists has been that the USA is in the process of losing its hegemonic position. Do you think that the USA's hegemony is really in decline? Or will be in the near future? If it is, will this decline generate imbalances and crises in the system?**

The hegemony of the USA has had this paradoxical feature, that it has rested, for two decades, on the import and not on the export of capital, contrary to all the classic definitions of imperialism.

No other country would have been able to run such a trade deficit without incurring a currency crisis; and it is indeed its position as the dominant power which has allowed the USA, recently, to let the dollar's exchange-rate decline.

We could talk about an "imperial decline of the dollar" in the sense that, in that recent period, the strength of the USA has been measured by the weakness of its currency. Besides the fact that the dollar functioned as world money, there were in this situation some more objective determinations: the stability of the financial investments offered, notably Treasury bonds, and relatively good financial performance.

But the permanent inflow of capital could also be explained, from the middle of the 1990s, by the acceleration of productivity gains in the USA. This phenomenon seemed to mark the reaffirmation of the supremacy of the USA in the productive sphere itself, as a dynamic site of innovation and thus of profitability. It was at the foundation of the "new economy" and the stock market boom which accompanied it. That is why the question of knowing whether the productivity leap constituted the material base of a new phase of expansion, or a high-tech cycle, is absolutely decisive.

In the first case, the foundations of US hegemony would be renewed on the basis of an objective productive advance. In hindsight, the facts now seem to confirm the thesis of a high-tech cycle.

Hourly labour productivity in the USA has in fact slowed down in recent years, and has slipped back to a rate of growth below 2%, comparable to the rate during the three decades preceding the "new economy". Thus the "new economy" appears as an interlude, provisionally reviving the rhythm of the phase of expansion which ended in 1967.

## BRIC COUNTRIES

**7. Do you think that the talk in recent years of the rise of the "BRIC" countries (Brazil, Russia, India, China), and perhaps also of other countries such as South Korea, Mexico, or South Africa — is just superficial journalism? Or that it reflects a real change in the capitalist relation of forces on a world scale?**

The rise of the emerging economies manifestly represents a major inflection in the configuration of the world economy. We can pick it out objectively in the relative rates of growth of the different regions of the world.

But the most spectacular change is in the inversion of capital flows, or in other words, the fact that the emerging economies have become net creditors. The recent bailing-out of the banks of the richest countries by the sovereign wealth funds of countries of the South is the most spectacular manifestation.

We could talk here of a "boomerang effect" of globalisation which puts into question the classical notion of imperialism, not to speak of the mainstream theories. Of course, there are still immense zones of "classical" dependency.

This new configuration generates uncertainties as to his medium-term sustainability. In fact it is based on the trade surpluses achieved by the emerging economies, swollen for some of them by the rise of primary-product prices. The main counterpart of those surpluses is found in the trade deficit of the USA, which needs a regular inflow of capital.

But with the recession and the fall in interest rates, and the continual depreciation of the dollar, there is less

motive for capital to place itself in the USA. Today, it is the central banks of the emerging economies that finance the US deficit, and that is a matter of a purely political choice which has no reason to be sustained for ever. Objectively, the central banks would do better to hold their assets in euros rather than dollars, or at least in a better balanced mix of the two.

If we now look at the productive aspect, the counterpart of the surpluses of the emerging economies is found in an extraversion in their economies which implies a holding-down of internal demand and, for the majority of the population, an advance in purchasing power much lower than the growth in the economy. This schema is not sustainable, and it is inevitably going to lead to social struggles which may open onto a more internally-centred mode of growth, a bit like in South Korea, and thus a reduction of surpluses.

But that is a mid-term perspective which is not an immediate solution to the crisis. That is why the world economy has entered, for an indeterminate time to come, a period of deepening of trade wars and of inter-capitalist contradictions, full of threats.

## KNOCK-ON EFFECTS

**8. Do you think that the current economic disturbances will develop in such a way as to generate crises in the "BRIC" countries? How do you assess the probability that the enormous inflow of capital to the USA from Asia and the oil-exporting countries will dry up, and that a disastrous decline of the dollar will result? In the course of the current disturbances? Or in the coming years?**

The dollar has already hit a historic minimum, and, since its fate today depends on the attitude of the central banks of the countries in trade surplus, it can hardly go lower. Thus no further depreciation of the dollar, to adjust the USA's balance of payments, can be counted on.

A dose of recession will doubtless be necessary, but also, above all, a serious slowdown of growth. From this point of view, the main result of the subprime crisis is surely to have put a definitive end to the mode of growth in the USA established in the Reagan era.

Moreover, rather than just engaging in an exercise in forecasting, it is more stimulating to reflect about the coordinates of a more balanced configuration of the world economy. The way to deflate the sphere of globalised exchanges and to reduce global imbalances is basically the same everywhere: namely, to re-focus economic activity on internal demand, or in other words on the satisfaction of social needs.

But that path implies a radical calling into question of the current tendencies of today's "pure capitalism", and even a recession will not be enough to set such a reorientation in motion. Spontaneous reactions in defence of the social interests of capitalism will push in the contrary direction, because it is difficult for the possessing classes to forgo the large and disproportionate sums that they extort from the wage-earners of the whole world.

Suppose that this year produces a very uneven slowing-down of the world economy, and it does not transform itself into a generalised recession. Even in that case, 2008 will demonstrate how unsustainable the fragile balance of the world economy is, and how it is now on the brink of breakdown.

As we have seen, the USA will have difficulty in continuing to make the rest of the world finance its profound trade deficit, or in hoping to reduce it by an endless slide of the dollar, without that setting off new tensions with China and Europe. The structural dysfunctions of the European Union will also be exposed in all their clarity. And the mode of the growth of the emerging economies, totally reliant on exports, will also show its limits.

Thus 2008 will allow us to understand the social content of the current configuration of the world economy: its imbalances are based on the profoundly inegalitarian character of the social arrangements which underlie it. Over and above the obvious differences which exist between the USA, China, and Europe, these three great poles have a fundamental trait in common, which is the regular reduction of the share of wealth produced which goes back to those who produce it. It is that tendency which creates the super-indebtedness and the deficit in the USA, unemployment in Europe, and the export priority and overaccumulation in China.

The other lesson that we can draw from this story is that the legitimacy of capitalism today is profoundly weakened. The successes which it marks up are directly proportional to the social regression which it manages to impose, without compensation or counterpart. Even if the relation of forces is in its favour, one thing at least should be clear: projects aiming to regulate, discipline, or humanise such a system are in the current context tantamount to pure utopia, in the bad sense of the term.

• <http://hussonet.free.fr/cvbib.htm>



1968

# A year of miracles!

BY SEAN MATGAMNA

**I**t was as if a conscience-stricken god said to himself one day in the mid-60s: “I suppose I have been a bit rough on the poor old Trots; setback after setback, massacre after massacre, blow after blow, for four decades now. There aren’t all that many of them left. If I don’t do something to encourage them soon, they’ll give up and die off. And think of all the fun they’ve given me, thwarting them — the presumptuous little bug-gers!”

Then he had second thoughts: “Why don’t I give them a lot of encouragement?” So he did.

Over a three year period, culminating in 1968-9, he organised a series of great events that would point people in the direction of Trotskyist politics.

The anti-Vietnam war movement in the US was sparked by middle class student youth no longer exempted from the draft. It spread, a vast mobilisation of young people outraged at the great world power bombing Vietnam into the Stone Age, all across the bourgeois-democratic world.

The “Tet Offensive” at the beginning of 1968, when the Vietnamese Stalinists captured the US “embassy”, was an inspiration to people all over the world: militancy, combativity, could work wonders.

In October 1967, Che Guevara was captured in Bolivia and butchered; his Christ-like portrait adorned millions of T-shirts. “Che” was a revolutionary — an enemy of the the European Communist Parties’ dogma of the “parliamentary road to socialism”.

Britain was in a financial crisis that had led in November 1967 to the devaluation of the pound. Despair at the Wilson government settled like fog on the labour movement. Reformism is dead! So a lot of people concluded. But the rank and file of the unions were full of life and fight. Strikes were very common:

“Working-class industrial direct action is the alternative to parliamentary reformism”!

Simultaneously, an eruption of working-class racism — triggered by the government’s decision to bar entry for British passport-holding Asians expelled from Kenya, and a vile anti-immigrant speech by the Tory, Enoch Powell — showed that industrial militancy was not enough. Workers needed a “revolutionary party” too, to educate them and others.

Russian Stalinism and the European CPs were shown up for what they were by two events.

In May 9-10 million French workers struck and seized the factories. At first they didn’t want to negotiate: instinctively, they wanted more than reforms. The French Communist Party, the main party of the French workers, was as startled as the De Gaulle government. Revolution?



This is 1968! So they helped De Gaulle ride out the strike and demobilise it with promises of improvements in the workers’ conditions.

In Czechoslovakia, where there was a strong communist tradition (there had been a mass Communist Party before World War Two), the ruling CP split over what to do in the economy. They took their differences into the factories, for discussion, thus taking off the Stalinist gag that had stopped the working class speaking for 20 years.

The reformists around Alexander Dubcek — an old communist militant and son of such people — beat the old guard around Antonín Novotný and proclaimed the advent of “socialism with a human face.” It was a tremendous criticism, open and implicit, of the Stalinist “communism” that had a decidedly inhuman face in Russia and the rest of the Stalinist world.

Democratic working-class socialism seemed on the verge of triumphing in Czechoslovakia. And it was likely to spread.

So, on 20 August, the 28th anniversary of the day in 1940 when Stalin’s assassin struck down Trotsky, the Russians and other East European Stalinist armies invaded Czechoslovakia and killed “socialism with a human face”.

Revolutionary-minded young people everywhere had a sudden, very clear picture of what Russian Stalinism was, imprinted on their minds.

At the same time, in Poland, the once-reforming Gomulka regime installed in 1956 was dragging its own dead weight towards the December 1970 mass slaughter of striking shipyard workers at Gdansk (where Solidarnosc would be born in 1980, in tremendous strikes). A faction of the Polish Communist Party started a vicious anti-Jewish agitation in a country where all but a few thousand of the Jews who had numbered three million in 1939 had been slaughtered by the Nazis.

That lesson passed unnoticed in a left increasingly hostile to Israel for its occupation (since June 1967) of the West Bank and Gaza.

So everything urged young people in the direction of the politics of Lenin and Trotsky? Not quite everything. God had had second thoughts. “Why should I make life too easy for the Trots? What have they ever done for me?”

So to complicate things, not all varieties of Stalinism were shown up for what they were. A new pseudo-revolutionary Stalinism was raised to prominence.

The Vietnamese fighting the Americans were Stalinists (Stalinists who, led by Ho Chi Minh, had butchered Vietnamese Trotskyists, who had had a strong presence in the towns in the mid-1940s). Anti-Vietnam War demonstrators chanted: “Ho, Ho, Ho Chi Minh / We shall fight and we shall win!”

And in China, Mao Tse-tung had in mid-1966 launched his “cultural revolution”. The Chinese army-controlled “Red Guards”, gangs of youth, waving “little Red Books” of Quotations from “Chairman Mao” rampaged through China denouncing “bureaucracy” and the opponents of Mao — people “in authority taking the capitalist road”, as the official formula went.

An orgy of lunacy engulfed China. Mao’s thoughts were reported in the official press and radio as empowering its devotees to work miracles, like the miracles at Lourdes and Fatima, and Knock, only wholesale and with guaranteed results. Doctors could cure 90 degree burns, farmers grow crops in a desert, athletes break world records — all with the aid of “Mao-thoughts”. Higher education was abolished in China, for a decade!

But it all seemed very “revolutionary” — and utterly confusing to the newly revolutionary-minded youth in the west.

If most of the “lessons” and impressions people took from events were, properly understood, “Trotskyist”, they could also be assimilated to “revolutionary Stalinism”. The lessons from China favoured a virulently crazy Maoist Stalinism.

Some Trotskyists, a minority but in Britain the main Trotskyist organization, the Socialist Labour League of Gerry Healy, supported the cultural revolution!

And not only in relation to Maoism: some ostensible Trotskyists drew “Stalinist” conclusions, pretending that North Vietnam was a socialist state.

The newly politicized youth spread through the left like an alluvial flood, reinforcing, replenishing, encouraging, renewing; but Maoists were the main beneficiaries in the west, again with the partial exception of Britain, where “Trotskyists” always outnumbered Maoists.

What was created politically was a confused jumble — new permutations of the older elements.

## AS WE WERE SAYING

# The power next time

**S**uddenly, like an enormous explosion, the revolt of the French working class has burst on a startled bourgeois Europe. Already it has changed the political climate of Europe as sharply as the rising of the sun after a long arctic night.

Sparked by the militant actions of Trotskyist, Anarchist and Maoist students, and fanned by the viciousness of police brutality, the flames of revolt soon spread to the working class. It led to a great conflagration prepared by the long accumulated, bottled up discontent and frustration of the workers.

The working class had seemed drugged and demoralised by years of relative prosperity. It had remained confused and quiescent, under the control of conservative labour leaders, through the many crises that have rocked French post-war capitalism.

Now, with little warning, it rose to its feet, pulling its trade union leaders — “Communist”, “Socialist” and Catholic — and political leaders helplessly behind it. Effortlessly it brought the country to a standstill. By instinct, without any real leadership — and initially against the leadership it seized and held the productive forces of society, wrenched from out of the powerless hands of the capitalists. It proceeded to enact what will surely go down in history as the dress rehearsal for the French workers’ revolution.

Factories, mines, docks, ships at sea and in port, theatres, offices — all were swiftly occupied and placed under the control of workers’ committees.

Grave-diggers and chorus girls, bank clerks and taxi driv-

ers, petit-bourgeois as well as proletariat, trade unionists and non-unionists, the whole of the French working masses were in action.

Journalists refused to lie to order, and censored their employers’ press journalists. Technicians at the ORTF (television network) revolted against the role of whore assigned to them by the system. Even the farmers joined in. So did schoolchildren, who took over the schools following the action of students who had seized universities. And they were joined by the teachers!

Everywhere the Red Flag was hoisted. Everywhere enthusiasm, marches, demonstrations of strength. The Internationale, sung too often discordantly by Stalinist functionaries, now thundered its command victoriously in its real tune in millions of voices, in every street of every city, and across the borders: “Arise, ye starvelings”. And not only the starvelings’ arose, the vanguard were, and remain, the best paid of all — the workers of the giant state-owned Renault plants.

The rulers of the rest of Europe and the world have looked in shock and horror at this stupendous demonstration of the power and revolutionary instinct of the working class. Their journals are still not sure whether or not to believe it.

For decades now, have they not preached, have their ‘thinkers’ and hacks not proclaimed — and proved no less — that the industrial working class is dead as a revolutionary force? Had they not, as late as May 12-13, carried articles celebrating the 10th anniversary of the army coup that raised De Gaulle to power and gave France ‘stability’? Is not this

western Europe, in the year 1968; is not the number of cars and TV sets growing?

Are not the capitalists in possession of a vast bureaucratic army of efficient lieutenants within the labour movement to police it and keep the working class within the ranks of bourgeois society. Are not Lenin and Trotsky long since dead and buried?

Thus it seemed. And then, before their fearful eyes, the working class rose suddenly from off its knees - and gripped French capitalism by the throat. By their rising the French working class have answered not alone the bourgeoisie, but all those within the labour and Marxist movement who had proclaimed or tacitly accepted that the epicentre of revolution had moved away from Western Europe for the next historical period...

Given the entrenched power of pro-capitalist bureaucrats (some misnaming themselves as “communists”) in the French labour movement the full victory which was objectively possible was not to be expected. To achieve this goal the class will have to shake off the shackles of the labour bureaucracies and prepare a revolutionary organisation equal to its drive for control of its own life.

It can now no longer be doubted that the conquest of power by the workers of Europe is firmly on the agenda. The French proletariat has smashed down the barriers, the mental ones as well as some of the physical ones. The road is opening up.

*Editorial, Workers Fight No 7, June 1968*





# Iran, Israel and nuclear weapons

BY RHODRI EVANS

**W**e can't be sure; but the odds must be that George W Bush's administration will not launch a bomb attack on Iran in its last few months in office.

Even if such an attack went neatly as planned, it couldn't bring any triumph that would boost the standing of the administration or of its favoured candidate in the November presidential election, John McCain.

Politically, an attack would be very difficult only months after an official US government report declared that Iran had probably stopped any efforts to develop nuclear weapons. The Bush administration has in fact inched towards closer diplomatic links with Iran.

Iran, paradoxically, has been the great gainer from the US invasions of Afghanistan (2002) and Iraq (2003). It now dominates western Afghanistan and has huge influence in Iraq. Rising oil prices further strengthen Tehran's hand. There are good reasons for Iranian president Ahmedinejad to feel confident about striking aggressive postures internationally.

A US attack might well strengthen Ahmedinejad's hand politically. Unless it was on a very large scale, it could not remove him. Especially if the attack caused heavy civilian casualties — very possible, whatever the Pentagon says about smart bombs — it could end up strengthening Iran's diplomatic position, and maybe blowing up the fragile elements of improvement for the US in Iraq.

But what about Israel bombing Iran, with tacit US approval, or approval-by-faint-condemnation? That is another matter.

At a special international conference "against Zionism" in December 2006, Ahmedinejad declared: "Thanks to people's wishes and God's will, the trend for the existence of the Zionist regime is [headed] downwards and this is what God has promised and what all nations want. Just as the Soviet Union was wiped out and today does not exist, so will the Zionist regime soon be wiped out".

Some people have sought to soften this language by saying that Ahmedinejad's words would be better translated into English as saying that "the Zionist regime" should, or will, "vanish from the page of time", and that he was attacking a government, not Israel as such.

The argument seems thin: how could "the Zionist regime" (in the very broad sense of "Zionist" that Ahmedinejad would use) vanish "as the Soviet Union did" (i.e., as a political unit, not just as one government being replaced by another) without military obliteration?

In other words, Israel can plausibly adduce threats



Ahmedinejad has threatend Israel

from Iran as a motive for an attack, which the USA can't.

Inside Israel, such an attack — so long as it went smoothly in a military sense — might well be popular. The liberal Israeli daily *Haaretz* has in recent months run two opinion articles arguing that the blowback from such an attack would be manageable (or even, they hint, politically welcome).

Yossi Melman, for example, wrote a couple of months ago: Iran's "Shihab missiles are not considered particularly reliable... The Shihab's guidance system is not very accurate... Israel's aerial defense system... would certainly intercept quite a few Shihab missiles. Moreover, Iran's firing missiles at Israel would enable Israel to respond in a decisive manner".

In September 2007, Israel launched a one-off missile attack on a remote site in Syria said to be a place where nuclear weapons were being developed. The attack was said to be militarily successful, with few civilian casualties, and Syria attempted no retaliation.

The Iranian regime is no champion of the world's oppressed, but rather a regional big power, lording it over several oppressed national minorities (Kurdish, Baluchi, Azeri, Arab), and with aspirations to domination beyond its borders. Whatever the current deficiencies of the Shihab missiles, Iran's threats against Israel should be taken seriously.

But, for some of the same reasons that restrain the USA, it is quite possible than an Israeli attack on Iran could strengthen Ahmedinejad, and increase the threat from Tehran's clerical fascism rather than reduce it. In any case, the way we want to see Ahmedinejad tamed and removed is by the action of the peoples and the working class of Iran, not by Israeli militarism.

• What if Israel bombs Iran?, page 6

Barack Obama  
campaign:

# American workers need their own party

BY SACHA ISMAIL

**I**n 1961, the year of Barack Obama's birth, it was still legal for the US government to discriminate against its citizens on grounds of race (the Civil Rights Act which formally banned such discrimination would be passed only in 1964). The nomination of Obama, the first black person to stand for president as the candidate of any major US political party, represents enormous social progress.

Such progress, however, does not suspend the laws of class struggle. Obama's candidacy, like his party, is bourgeois through and through. Like his opponent John McCain, he represents government of the capitalists by the capitalists for the capitalists — only in a more liberal version, with a few extra crumbs for the workers and poor.

In this election, the US working class — including its still super-exploited and oppressed black section, and its huge and first growing immigrant minority — will be denied the chance to vote for representatives of its own. In such a situation, widespread hatred of the Republicans and disgust at their record will almost certainly express themselves — have already expressed themselves — in a surge of support for Obama and the Democrats.

In this situation, it will not be surprising if sections of the US left are pulled towards this tide. It is right to celebrate mass enthusiasm for kicking out the Republicans, and to want to relate to the thousands of new people Obama has drawn into politics, particularly among young people and in the US's black communities. What is wrong is the temptation to seek a short cut by advocating support for his candidacy and, through it, the Democratic Party.

American workers need a party of their own: the question is how to get there. Those issues need to be discussed.

• Socialists and Barack Obama, page 10

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